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DRAFT DEFENSE BILL UNDERScores JOINT STAFF ROLE

PY141640 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2220 GMT 12 Dec 84

[Text] Buenos Aires, 12 Dec (NA) -- A draft defense bill that the government will submit to Congress provides for the forming of a national defense cabinet and a military committee, maintaining the current differentiation among the Army, Navy, and Air Force, although it foresees the unification of "the functions, activities, and services, the nature of which should not be specific for any single force." The general guidelines of the proposal give special importance to the role of the Joint Staff which, like the staffs of the three forces, will be subordinate to the Defense Ministry, to which the president of the Republic will in this case delegate his authority as commander in chief.

The proposal, to which NOTICIAS ARGENTINAS has had access, was presented at the Defense Ministry this afternoon to the members of the Chamber of Deputies Defense Committee by Defense Secretary Horacio Jaunarena. Present at the defense secretary's exposition were Deputies Albino Zubiri and Sarquis (Radicals), Alberto Melon and Luis Sobrino Aranda (Justicialists), and Roberto Balestra (Corrientes, liberal faction.) The text of the proposal, which contains only 30 articles in a little more than two pages, establishes that "information and intelligence for national defense purposes will be provided by the National Intelligence Center," which will be subordinate to the president and whose mission and structures will be decided by the president.

The national defense cabinet will be made up of the vice president of the nation, and the ministers of interior, foreign relations, economy, and defense. The Defense Ministry will function as an "executive body" and will act as secretariat for the defense cabinet whose role will be to assist and advise the president "in his decisions on conflicts, hypothetical conflicts, and war."

The military committee, in turn, will "assist and advise the president of the nation, in his capacity as commander in chief of the Armed Forces, in conducting the military operations in case of war." The military committee will be made up of the defense minister, the joint chief of staff, and the chiefs of staff; the Joint Staff will act as secretariat of the committee. These guidelines are included in 12 articles under the title "Organs and Missions" in the draft bill.

The Joint Staff is charged with responsibility to prepare the "strategic military planning, which may provide for the creation of joint, specific, or combined strategic operational commands, and regional commands." The commanders of these commands will be appointed by the president, and they will be subordinate to the Defense Ministry, through the Joint Staff, for their organization and training, and in case of an armed conflict, they will be under the president's orders.

The draft bill adds in another article that the Joint Staff will be made up of personnel from the three services, and that the chief will be "an officer with most seniority on active duty," appointed by the national executive branch. The draft bill does not provide any details on the mission, function, and structures of the Joint Staff, only saying that they will be established by the executive branch.

Under the title "Organization of the Armed Forces," the draft bill states that "the Armed Forces are the military instrument for national defense" and that they "will comprise the Argentine Army, the Argentine Navy, and the Argentine Air Force." It states that "the Armed Forces' structure and size will basically result from the joint military planning," while "their organization and function will aim at their joint coordination and effectiveness."

It adds that "the functions, activities, and services which are not specific to a single force" will be unified. The Army, Navy, and Air Force "will retain their respective administrations, subordinate to the chiefs of staff of each service."

"The integration of all or part of these services will depend on the result of the joint military planning, and these integrated groups will be subordinate to the joint, specific, or combined strategic operational commands, or to regional commands."

Regarding the functional relationship among the specific military leaderships of the three services, it is established that "the staffs of the Armed Forces services will be subordinate to the Defense Ministry, by delegation of powers by the commander in chief of the Armed Forces, and they will maintain a functional relationship with the chief of the Joint Staff for the purpose of joint military action." The president will also designate the chiefs of the services staffs of the three services, and the executive branch will establish "the mission, functions, and structure" of these organs.

Under the title "Territorial Organization and Mobilization," the bill imposes as "an indispensable public burden" the obligation to provide goods, services, or information requested by the competent authorities within limits dictated by the need for national defense.

In the case of "war or armed international conflict, the nation's president is authorized to determine the theaters of operation, delimiting their geographical areas." It is specifically stated that "the military command of each theater of operations will be held by a high-ranking officer of the Armed Forces appointed by the president."

In case of conflicts, and by proposal of the Defense Ministry, the executive branch can declare military zones such "areas as justify being so declared because of their interest for national defense."

The president is granted powers to "approve the plans necessary for apportioning and mobilizing the nation's potential, as well as those necessary for civil defense," and to act as the competent authority "to order requisitions and to order a draft."

Finally, prison terms of 1 month to 2 years are established for those who obstruct draft calls or withhold information requested by competent authorities.

ARMY SUPPLIES HALTED DUE TO LACK OF PAYMENT

PY150237 Buenos Aires DYN in Spanish 2305 GMT 14 Dec 84

[Text] Buenos Aires, 14 Dec (TELAM) -- During a meeting today the Argentine Union of State Suppliers [Union Argentina de Proveedores del Estado -- UAPE] decided to suspend the delivery of supplies to the Army as of Monday in view of the lack of payment for deliveries during the past 180 days. In a communique, the UAPE states that this measure will be maintained until the agreements reached with the Defense Ministry and the Army's Fourth Logistic Department are fulfilled and establishes "a definite date" for the payment of deliveries made during October, November, and December 1984.

The UAPE explained "that all negotiations have been exhausted" in reaching a satisfactory agreement between the two parties. The communique then states that "during the month of October, and after lengthy negotiations with Emilio Cucchiara, defense secretary (at that time), and a true effort made by the suppliers, it was agreed that the payment would be delayed 30 days in view of the difficult situation the country is undergoing."

After stating that "this agreement represented a greater indebtedness to the business sector," the UAPE said that "those responsible for these negotiations failed to fulfill their promise."

The businessmen justified their decision in view of the "financial-economic collapse of the various suppliers or other enterprises," which, they believe, "has not allowed the restocking of merchandise and has caused a drop in working capital."

FORMER JUNTA MEMBER INTERVENES FOR ASTIZ

PY140222 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2115 GMT 13 Dec 84

[Excerpts] Buenos Aires, 13 Dec (NA) -- Admiral Emilio Massera, retired, [former military junta member] today sent a note to Federal Judge Miguel del Castillo asking him to "free from any and all responsibility" and "order the immediate release" of Navy Lieutenant Alfredo Astiz, and once again "personally assumed full responsibility for what was done during the war against subversion." In his note sent through Navy channels, Massera said: "I am not acquainted with the details which are being investigated (in the Hagelin affair), but as I have stated publicly before, I wish to reiterate on this occasion that I assume full responsibility for everything that was done during the war against subversion." He added: "Therefore, since Lieutenant Astiz has always strictly complied with the orders he received, I ask that justice be done by freeing him from any and all responsibility and his immediate release ordered. So be it."

Intervention Requested

PY140224 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2120 GMT 13 Dec 84

[Excerpt] Buenos Aires, 13 Dec (NA) -- Naval sources leaked today that Vice Admiral Ramon Arosa, chief of staff of the Navy, had asked former Navy commander in chief, Admiral Emilio Massera, retired, to send a note to Judge Miguel del Castillo asking that Navy Lieutenant Alfredo Astiz not be held responsible for the disappearance of Dagmar Hagelin. It was reported that Arosa asked Massera to make a legal statement for the record before Judge del Castillo, who is handling the Dagmar Hagelin affair, that Astiz "always strictly carried out the orders given to him."

CNEA RESUMES URANIUM EXCAVATION IN SIERRA PINTADA

PY140215 Buenos Aires DYN in Spanish 2311 GMT 13 Dec 84

[Text] Buenos Aires, 13 Dec (DYN) -- Today the National Atomic Energy Commission [CNEA] announced the resumption of excavations of the uranium deposits in Sierra Pintada, Mendoza Province. It also disclosed that once the raw material is processed it will supply the Atucha I and Embalse nuclear plants in Cordoba for 3 years.

The mineral exploitation being carried out on the banks of the El Tigre River, 30 km from San Rafael, is part of a program to produce 560,000 tons of uranium. The uranium will be processed in the plants that the CNEA has in San Rafael and Malargue to produce uranium concentrates.

The Sierra Pintado deposits' production, in addition to the uranium extracted from the Cordoba Los Gigantes deposits, will cover the fuel needed by the nuclear plants in Atucha and Embalse.

JUSTICIALISTS' MIGUEL CONFIRMS RESIGNATION

PY151246 Buenos Aires Telam in Spanish 1956 GMT 14 Dec 84

[Text] Buenos Aires, 14 Dec (TELAM) -- Lorenzo Miguel today confirmed that he will resign as first vice president of the Justicialist Party, but he did not rule out the possibility of being appointed second vice president. Miguel said that he wants Isabel Peron to return to Buenos Aires and stated that the former president will be confirmed as president of the Justicialist Party. He added that if the appropriate bodies of the party decided to nominate Santa Fe Governor Jose Maria Vernet for the post of first vice president of the Justicialist Party, he will support his nomination.

Elected 2d Vice President

PY170045 Buenos Aires DYN in Spanish 0005 GMT 17 Dec 84

[Text] Buenos Aires, 16 Dec (DYN) -- The Justicialist Party National Congress tonight elected a new board of leaders that will be headed by Maria Estela Martinez de Peron as chairman of the party, Jose Maria Vernet as first vice president, Lorenzo Miguel as second vice president, and Herminio Iglesias as secretary general.

PERONIST CONGRESS 'SPLITS'; DELEGATES WALK OUT

PY152230 Buenos Aires TELAM in Spanish 2143 GMT 15 Dec 84

[Text] Buenos Aires, 15 Dec (TELAM) -- Shortly after 1800 local time La Rioja Governor Carlos Saul Menem walked out of the Odeon Theater where the National Justicialist Congress is taking place. Upon leaving he was attacked a second time by Peronist youths and had to be helped by police officers. Upon Menem's arrival at the above-mentioned theater this morning similar events took place and the police had to move in to pacify groups of aggressors who oppose Menem. The governor of La Rioja walked out of the theater together with nine representatives from his province and one of them, acting as spokesman for the group, said that they were leaving because there was absolute chaos in the place where the congress was being held and it was impossible to hold the talks. He also said that the delegation from La Rioja would no longer participate in this congress even if it were to adjourn. Shortly after Menem left there was a mass departure of representatives from the congress including Santiago del Estero Governor Carlos Juarez and Oraldo Britos, senator for San Luis.

[Buenos Aires NOTICIAS ARGENTINAS in Spanish at 2128 GMT on 15 December carries a 100-word report stating that "most representatives to the Peronist congress, with the exception of those for Buenos Aires Province and for the 62 Organizations, left the Odeon Theater where the congress is being held. "Senator Oraldo Britos and Santiago del Estero Governor Carlos Juarez stated upon leaving the theater that 'the actions of the hooligans and the irregularities in the voting to appoint a new credentials committee are unacceptable.' The departure of representatives has split the congress in two factions and scuttled the strenuous negotiations which had been undertaken to appoint new party leaders."]

Congress Adjourns

PY152245 Buenos Aires TELAM in Spanish 2225 GMT 15 Dec 84

[Text] Buenos Aires, 15 Dec (TELAM) -- At 1905 the National Justicialist Congress decided to adjourn until tomorrow at 0900, despite the fact that the departure of most representatives from rural areas had left it without a quorum.

Before deciding on the adjournment, the representatives present, which were those from Buenos Aires Province and some from Santa Fe Province, appointed a new credentials committee which will ascertain the validity of the credentials of each representative.

Dissidents Hold 'Rump' Convention

PY160225 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2310 GMT 15 Dec 84

[Text] Buenos Aires, 15 Dec (NA) -- A rump convention, attended by representatives of practically all Peronist sectors with the exception of the sectors led by Herminio Iglesias and Lorenzo Miguel, is being held at the Rochester Hotel in this capital.

After leaving the Odeon Theater, the official meeting place for the congress, 10 governors, 4 members of the Congress Executive Board, and representatives of the Peronist National Council and Higher Command met at the hotel. National senators; deputies; and leaders of the intransigence and mobilization movement; of the Unity, Solidarity, and Organization Movement; of the Peronist Call; of the Peronist Unity Front; and of the Union Group of the 25 also joined them. Spokesmen for those sectors voiced their protest against the "gang," in an obvious reference to the sector that tried to control the congress.

According to the first negotiations held by the dissidents, a provisional committee might be designated to analyze the possibility of calling for a congress that they referred to as "legitimate." The committee will be made up of two representatives of each electoral district. According to a spokesman for the group, this new congress may be held "in the immediate future, possibly in San Miguel de Tucuman."

According to the dissidents, the rump convention at the Rochester Hotel may have the support of as many as 350 of the 628 national congress delegates, while in the Odeon Theater "there are only 110 Buenos Aires Province delegates and some Santa Fe delegates," the sources said.

MINISTER ON SHINING PATH CONTACTS IN TUCUMAN

PY141600 Buenos Aires DYN in Spanish 1020 GMT 14 Dec

[Excerpts] San Miguel de Tucuman, 14 Dec (DYN) -- Government Minister Jose Cuneo Verges has stated that the Peruvian subversive organization Shining Path has reportedly left "contacts" in this province, and he rejected remarks made by Radical leaders categorically denying the reports on the actions of this group in Tucuman.

In remarks to the press, Cuneo Verges stated that local security organizations are on "continuous alert" against the presumed actions of Shining Path. According to Cuneo Verges, the first indications of the presumed existence of a Peruvian-type subversive focus in the province "were recorded between June and July 1984," adding that private citizens have reported the existence of a camp and that some "empty shells have been found at that camp." The government minister stated that "despite the quick police action, the presumed subversives have not been found, although four places where Shining Path had been 'in transit' have been found in the localities of Taco Ralo, Virginia, San Pedro de Colalao, and Cerro de Tafi."

AFP: MIR CABINET RESIGNATIONS TRIGGER CRISIS

Camacho, Urioste Resign

PY141655 Paris AFP in Spanish 1624 GMT 14 Dec 84

[Excerpt] La Paz, 14 Dec (AFP) -- President Hernan Siles Zuazo is today facing a new cabinet crisis resulting from the resignation of Education Minister Alfonso Camacho, and of Presidential Secretary Miguel Urioste, members of the Revolutionary Movement of the Left [MIR]. They both stated that their resignations are irrevocable, thus creating a difficult situation for the president, because this resignation also means a rupture with the MIR, which is led by Vice President Jaime Paz Zamora.

Housing Minister Leaves Post

PA161500 Paris AFP in Spanish 1355 GMT 16 Dec 84

[Excerpt] La Paz, 16 Dec (AFP) -- Housing and Urban Affairs Minister Guillermo Capobianco Rivera today presented his resignation to President Hernan Siles Zuazo. Capobianco is one of the leaders of the Movement of the Revolutionary Left (MIR).

In his letter of resignation, the minister points out that he has worked as hard as possible to fulfill his tasks and that operational, institutional, and administrative preparations to implement a broad national plan of housing construction and improvement of houses in the urban and rural areas has been completed. Capobianco, who will return to his parliamentary seat, is the third MIR minister to resign in connection with a grave crisis and division within his party.

PAZ ZAMORA RESIGNS TO RUN IN 1985 ELECTIONS

PY150120 La Paz Cadena Panamericana in Spanish 0000 GMT 15 Dec 84

[Report by Cristina Corrales from the vice president's office]

[Excerpts] In a few moments, Vice President Jaime Paz Zamora will submit his resignation in order to qualify to run for election in 1985. At this moment, Vice President Paz Zamora is beginning to deliver his resignation speech.

[Begin Paz Zamora recording] Honorable Mr President of the National Senate, Julio Garret Ayllon, dear officials of the National Congress and the vice presidency, dear colleagues of my party who are with me at this important moment: I have taken the liberty of inviting the press and the president of the National Senate to present through him to the National Congress and the Bolivian people the text of my resignation from the post of vice president of the nation and president of the National Congress.

Senate President Julio Garret Ayllon, Chamber of Deputies President Colonel Samuel Gallardo Lozada, retired, honorable gentlemen, through the high offices that you hold, I address the National Congress to communicate my resignation from the post of constitutional vice president and president of the honorable Congress which, invested with a mandate from the Bolivian people, I have held from 10 October 1982 to date. I therefore inform you that as of this date I cease to exercise the functions of these offices.

I take this opportunity to express my thanks to you, distinguished presidents and honorable national representatives, for the cooperation and friendship you have extended to me in the performance of my constitutional duties. I take pleasure in renewing to you my highest and most distinguished considerations. [end recording]

As he ends his speech, Vice President Paz Zamora turns the document of his resignation over to the Senate president who will henceforth replace Paz Zamora as president of the Congress.

CONGRESS ACCEPTS SILES' OBJECTIONS TO ELECTION BILL

PY141455 La Paz Cadena Panamericana in Spanish 1130 GMT 14 Dec 84

[Excerpt] President Hernan Siles Zuazo yesterday afternoon sent a note to the National Congress proposing some changes in the bill calling for general and municipal elections. These changes, which have been approved by the National Congress, are: adding the name of President Hernan Siles Zuazo as the person who will make the constitutional transfer of power on 6 August 1985 and eliminating the provisional article that establishes a deadline for passing laws concerning municipal elections. The text of the congressional resolutions reads:

The National Congress hereby resolves

1. To accept the objections made by the executive branch through Note No 140/84, dated 13 December, to the bill approved by the National Congress on 5 December which calls general elections for president, vice president, senators, and deputies, and municipal elections for 16 June 1985;
2. To amend Article 2 to add the name of Mr Hernan Siles Zuazo as requested.
2. [number as heard] Constitutional President Hernan Siles Zuazo will preside over the inauguration ceremony that will take place on 6 August 1985.
3. To eliminate provisional Article No 2

[Signed] Jaime Paz Zamora, president of the National Congress; Senator Luis Anez, secretary; and Deputy Diego Ibanez, secretary

Siles Enacts Law

PY151412 La Paz Cadena Panamericana in Spanish 1130 GMT 15 Dec 84

[Text] President Hernan Siles Zuazo yesterday enacted the 1985 election law, which he released this evening. Here is the text of the law:

Article 1. General elections for president, vice president, senators, and deputies, and municipal elections are hereby called for 16 June 1985.

Article 2. His Excellency, the constitutional president of the Republic, Dr Hernan Siles Zuazo, will transfer power on 6 August 1985.

Furthermore, the law authorizing Vice President, now former vice president, Jaime Paz Zamora to run for office in the 1985 elections states:

Article 1: Not having completed his constitutional term, Vice President of the Republic Jaime Paz Zamora is not bound by the prohibition established in Article 97 of the Constitution.

In order to be eligible to run for office, the vice president of the Republic must resign from his post 6 months before the date of the elections in keeping with Article 89, Paragraph 1 of the Constitution and of Article 149 of the electoral law in force.

MINERS SUSPEND STRIKE; POWER, TELEPHONE CUTS BEGIN

PY151652 La Paz Cadena Panamericana in Spanish 1130 GMT 15 Dec 84

[Excerpts] Representatives of the Potosi departmental mining chamber have decided to temporarily lift the coercive measures they have been implementing so that the government will attend to their demands. This information was provided to Panamericana from Potosi by Alberto Retamoso, the leader of the departmental mining chamber. Retamoso indicated that all the coercive measures have been suspended until Tuesday, 18 December.

[Begin Retamoso recording] As a result of the truce requested by Mines Minister Pomer in the course of a direct communication, we have decided to suspend the measures until Tuesday, 18 December at 1100, following the minister's official pledge to try to resolve the problems caused by the strike measures adopted by the small-scale miners of Potosi. [end recording]

Furthermore, in the next few hours, the Federation of Water, Electricity, and Telephone Workers will begin making selective power cuts until the government complies with the agreements signed with this sector. This decision was reported to Panamericana by the federation's secretary general, Zenon Delgadillo, who indicated that the federation was forced to adopt this decision as a result of pressure exerted by the rank and file. According to Zenon Delgadillo, the selective cuts will also be applied to telephone services. The measure will consist of suspending emergency electricity and telephone services throughout the country, services which were being provided by the maintenance department.

GOVERNMENT SEEKS DEBT RESCHEDULING PROGRAM

PY150242 Paris AFP in Spanish 2005 GMT 14 Dec 84

[Text] La Paz, 14 Dec (AFP) -- Central Bank President Reynaldo Cardoso said here today that Bolivia will ask creditor banks to implement an overall debt rescheduling program that will take the country's situation into account and that will not affect lenders' interests. Cardoso reported that in his last meeting with the representatives of the 128 creditor banks in the United States, Bolivia did not promise to make any payments and only showed that it could not repay its debt. Bolivia's foreign debt exceeds \$4 billion. Interests and principal amortizations, which have become due since last April, surpassed \$700 million in November. Cardoso admitted that Bolivian creditors are concerned. He reported that a high-level government commission will meet in the next few days to formulate a strategy for the renegotiation that will be negotiated with banks. Cardoso said that even though Bolivia needs the cooperation of international agencies, no specific steps have thus been taken to obtain IMF support. He added that private banks make their decisions on the basis of the IMF reports. He concluded by saying that Bolivia did not stop repaying its debt because of a whim but because the loans were improperly used in the past.

PRESIDENT FIGUEREDO DISCUSSES NATIONAL DEFENSE

PY140211 Brasilia Domestic Service in Portuguese 2331 GMT 13 Dec 84

[Speech to nation by President Joao Figueiredo on 13 December -- recorded, place not given]

[Excerpts] Brazilians: In my speeches, I have tried to convey an all-encompassing idea to everyone, a view of what Brazil is, of what it has, of its significance in today's world, of our own community as such, and of the significance our community has for each one of us. Our community, as such, is our fatherland. For each one of us, it is the life we live, our family, our home, our friends, the people, and the situations that make us happy or unhappy.

Today, to be a Brazilian means to feel that one is integrated and to live in this community with the customs, interests, and values that unite us and that are common to us all. Within this group, within this community, each one lives as he wishes or as he can, in keeping with the current situation.

Therefore, I will now reiterate what I have said in my speeches; I want to give an overview of what we are, of what we have, and of what we are doing. This is Brazil, our Brazil.

When I hear the debates, criticisms, suggestions, the search for solutions for our problems, the different opinions on our political course, on our economic alternatives, and on our efforts to attain social progress, I see all the things to which I referred above. But we should also realize that there is unity behind that apparent disagreement, and that Brazilians unite behind their common goals when they are motivated by the need to overcome an obstacle. For example, we must unite to struggle against inflation. Both the people who defend the government's policy to fight inflation and those who disagree with it must unite. Because the problem affects all of us alike, it affects our community. We may disagree on the methods, but we are united in our efforts to defend and protect ourselves because inflation is a threat hanging over all of us. This unity, this awareness, this feeling of the community represents the *raison d'etre* and the soul of national security and defense.

Today, I will speak about the national defense. I want to elaborate on the progress that our Armed Forces have attained during my term and over the past 20 years.

We do not have a policy of war for conquest. We do not want to be conquerors nor a conquered nation. This principle is established in our Constitution.

National defense cannot be improvised. It is necessary to have permanent structures with high levels of training and flexibility for constant renewal, from the point of view of weaponry and of strategy and tactics. National defense calls for top efficiency, and top efficiency can only be achieved with fulltime dedication by those who are in charge of it, with constant training, and with the mastery of technology.

Still, there is another powerful factor that prevents aggression: the power to dissuade the attacker or to retaliate in a decisive manner. Thus, the aggressor realizes that it will have to confront a well prepared adversary, capable of defending itself by causing irreparable damage or even by attaining victory. Under these circumstances, the cost of weapons is no longer the price of war but the price of peace.

Our people have lived in peace and tranquillity for a century because our potential adversaries did not want to engage in a conflict against a country with our population, our territory, and our military power.

I have already said that the main role of our Armed Forces is to provide for an efficient defense of our country. What must we defend? First, our people, 130 million Brazilians, 50 percent of whom are minors; 8.5 million sq km; more than 7,000 km of Atlantic coast line; a 200-mile territorial sea with valuable food and oil resources; 7,000 km of borderlines in areas that are now densely populated; an immense wealth represented by our agricultural, livestock, and industrial production, and by the business sector, which covers the entire spectrum of economic activities.

What is national defense? It is a gigantic task that calls for advanced technological firepower, transportation, and electronic resources. It is a strategic role that calls for a perfect integration between the Army, the Navy, and the Air Force in the joint defense of our territory, our sea, and our airspace.

We should also take into account the international situation.

We live in a world which is subjected to international relations, balanced tension, military alliances, and constant threats of use of nuclear weapons capable of destroying the world. However, Brazil would rather believe, above and beyond everything else, in the responsibility of the needs of state, in the rational manner in which decisions will be made and in humanitarian conscience, as the means for preventing the advent of [word indistinct] and nuclear holocaust.

We do not close our eyes to this reality, but we prefer to believe that the will to build will prevail over the will to destroy, that the will to negotiate will prevail over conflict as the means to resolve crises. This is our doctrinarian position, but we can hardly avoid taking into account the hypothesis of a nuclear conflict, the tasks related to the study of procedures for military action, and for the defense and protection of the civilian population. Our position has kept Brazil outside the nuclear arms race and has restricted our commitment to joint action with the nations of our continent to those cases which involve aggressions against one of these countries.

I want to emphasize once more that the speed of modern arms demands an exhaustive preparation for immediate response. Otherwise, defense will be inadequate. So this demands from the Armed Forces a permanent effort for modernization and professionalism. Following these directives, we have managed in the past 20 years to prepare the Armed Forces for the degree of responsibility currently required. The technological training of officers, the supply of new weaponry to the Armed Forces with domestically produced equipment have reached, to a point, a reasonable level of success. I will mention some aspects of this process of upgrading in the three services.

The specific mission of the Army to defend the huge national territory. Therefore, the mobility of land troops and the fire power per unit are fundamental factors for performing that mission. Today, our infantry, the armored cavalry, and the artillery have adequate mobility and armament to fulfill their specific missions. We have revamped the organizational structure of the Army at several levels.

During my government, I created the military commands of Amazonia and Brasilia as separate units from the traditional organization of four regional armies. I divided the old regiments, the large and cumbersome organizations into more flexible and more operational units. We also adjusted the units to the type of regions where they are stationed, because our country has very different types of theaters of operation.

In the Amazonas region, in the equator zone with great rivers, we organized the forest infantry brigades, with appropriate equipment, camouflage uniforms, and special training so that the men can survive, fight, and overcome any invader. In this region, fraught with natural obstacles, the centers of instruction for jungle war, which were created in 1964, are today recognized as some of the best schools of their kind. In the northeast, the Army also set aside general concepts and tried to prepare the personnel for combat in the theater of operation made up of dry land laden with small and thorny trees.

We also have a real mountain combat school in the 11th Infantry Battalion headquartered in Sao Joao do Rei. The Paratroopers Brigade, which was created in the 1950's, was turned in 1964 into a unit of special strategic importance, with capability for immediate deployment to any point of the national territory. In addition to the emphasis on operational capability, we tried to redistribute the Army units throughout the nation's territory following the expansion that took place in the past 20 years with the construction of new highways, new cities, new hydroelectric plants, and so on.

In addition to the main activity of defense and defense preparation, the Army exercises complementary activities such as scientific, technological, and industrial research of military interest. Several projects stemming from military research have already been transferred to the private industrial sector. The research of war materiel has yielded several products of sophisticated technology for the marketplace, such as computers, optical equipment, communications equipment, and so on.

As for equipment for troops, a general research and development plan was drawn up so that they can have material manufactured domestically by national industry. In this way, our military power grew on the strength of our capacity to manufacture war materiel. In other words, this means less foreign dependency.

Our armored vehicles have a good reputation and have found markets in several countries. The prospects in this field are expanding. Today, Brazil is the largest exporter of wheeled armored cars in the world. The idea that we are spending huge resources on armaments is false. On the contrary, we are earning money with armaments. Today, 95 percent of the products of our war materiel industry are earmarked for exports. In 1983 we exported more than \$200 million worth of military equipment.

It is impossible to think of national defense without thinking of an Air Force capable of performing several functions to secure control of the airspace, which becomes greater every day. After conquering the atmosphere, man has penetrated the airless space, after learning to fly with a simple plane, he invented the jet plane, then the rockets, the satellites.

As of 1964, the country has an air defense system with modern surveillance, detection, and interception equipment which can deal with any aircraft or Air Force that may threaten our territory. We have an efficient service of surveillance of the Brazilian airspace by means of an integrated system of radar detection, handling of air traffic by means of computers, instant communications, and air interception in any type of weather with F-103 supersonic Mirage planes or F-5 Tiger aircraft.

We have tried to develop the the aeronautics industry and to build Air Force equipment locally so as to become more independent from foreign suppliers.

In 1964, the rate of Air Force equipment built locally barely reached 8 percent. We were dependent on imports and 92 percent of the equipment was imported. We have been able to almost reverse this situation. When I assumed power, 65 percent of the Air Force equipment was already being built locally. This year, we have reached the 80-percent figure.

The Brazilian Aeronautics Comapny which was established 15 years ago, ranks sixth among the world aeronautics industries that build medium-size airplanes. Nearly 70 percent of the military airplanes that we are making are locally made, like the Bandeirantes, which is used for a variety of tasks, like patrol, reconnaissance, and aerial photography, transportation of troops, and search and rescue operations. The Xavante is used for strike operations and infantry support. And, in the near future, the AMX, a diversified military jet, will be put into operation. The results of the research work being conducted at the Aerospace Technology Center in Sao Jose dos Campos guarantees the achievement of new levels in the mastery of the technology for manufacturing radars, rockets, missiles, homing devices, and laser beams. We have started to use Prozene, a fuel which is derived from vegetal oils and substitutes for the kerosene used in aviation. This is a strategic reserve, which, for the time being, we are using exclusively.

In 1980, I approved a program called the Brazilian Space Mission, which is coordinated by the Brazilian Commission for Space Activities. This program envisages the launching of four Brazilian satellites, using a Brazilian-made rocket as well, that will be launched from a Brazilian launching pad.

The recent launching of the Sonda IV rocket and the selection of the Alcantara region in Maranhao State as the site for the space launching center are the first two steps taken by Brazil to usher it into space activities.

At the beginning of my term of office, the Navy was ready for another step forward. Its staffs, engineers, workers had learned and acquired the technology for the production of modern ships through their experience and their understanding that dependence is something which is unacceptable. I approved the program for the construction of Inhauma class corvettes, now in progress.

The adaptation of foreign projects is no longer considered. The ships are now projected to meet our needs. Within this program, two ships are now under construction at the Navy shipyard in Rio de Janeiro.

Concerning submarines, which are much more complex, we will have been unable to make them completely locally. I have approved a program by which a unit will be built abroad and another unit will be built in Brazil, thus starting a series of units to be made entirely in Brazil.

Concerning the area of support to the naval forces, the creation of the Admiral Castilho Cunha Arms Development Center the [name indistinct] ammunition factory, and the reinforcement of the Rio de Janeiro Naval base are important undertakings of this government. We are negotiating with national and foreign enterprises to locally manufacture sea-to-sea and sea-to-air missiles, submarine weapons, and electronic war devices.

I take great satisfaction in stating that during my term in office we have finally achieved a historically desired target, Brazilian presence in Antarctica. The Navy stimulated, supported, and carried out the Antarctic program installing there the Commander Ferraz base, which, this summer, is already being expanded and occupied by Brazilian military personnel and scientists who will (?live) there for nearly 6 months.

As we can see, national defense is a highly complex task. A lot has to be done in order to attain efficient defense levels. Our Army, our Navy, and our Air Force have reached appropriate operational levels. However, we cannot stop there. We have achieved our independence as a weapons manufacturer. We have to maintain and increase this independence through research.

The military draft must be increased in order to train a number of Brazilians for defensive purposes. All of this demands resources, but resources are scarce.

No nation can afford to remain unprepared or unarmed. I am sure that all men (?love) peace and hate war. But war exists and we must do all in our power to prevent it. Well trained, well equipped, efficient, and modern armed forces are a decisive factor to prevent or neutralize an aggression and to maintain peace.

Thank you very much. Good night.

BRIEFS

ANTARCTIC BASE REOPENED -- It has been reported that the Brazilian Commander Ferraz Antarctic Base, located on King George Island, was reopened on 13 December. The base will be run by 18 Brazilians. [Summary] [Brasilia Domestic Service in Portuguese 2200 GMT 13 Dec 84 PY]

OIL PRODUCTION -- Petrobras has announced that daily Brazilian oil production reached 530,117 barrels on 11 December and that this figure is a new record. [Summary] [Brasilia Domestic Service in Portuguese 2200 GMT 12 Dec 84 PY]

U.S. LEGISLATORS TERM PINOCHET MEETING 'CORDIAL'

PY140300 Paris AFP in Spanish 0044 GMT 14 Dec 84

[Text] Santiago, 13 Dec (AFP) -- Three U.S. congressmen today asked Chilean President General Augusto Pinochet to hold a plebiscite before 1989, to lift the state of siege, to stop human rights violations, and to abolish press censorship in Chile.

Although not all the president's answers were positive, some of them did give us some hope as well as the mere fact that the president agreed to talk with us, said Democratic representative from New Mexico Bill Richardson. Richardson explained that the purpose of the request for a plebiscite before 1989, which is the year established by the Constitution for the government junta to propose the president's successor, is to accelerate the democratization process. Richardson indicated that the meeting with the Chilean president, also attended by U.S. Ambassador James Theberge and which lasted for 1 and 1/2 hours, was tremendously cordial despite the fact that our viewpoints on some matters are very different. Richardson expressed the group's confidence in President Pinochet holding a dialogue with the Chilean people as he did with them. Richardson also pointed out: We are here as U.S. congressmen opposed to Marxism, communism, and terrorism. However, we believe that the Chilean people should decide their democratic process.

The group, which is also made up of Democratic legislators from California Esteban Edward Torres and Tom Lantos, arrived in Chile for a 20-hour visit to Santiago, the purpose of their trip being to prepare a report for the U.S. Congress. Asked what steps they would take following their meeting with the Chilean president, the legislators pointed out that these steps could be of a legislative nature and that they will reportedly submit them to Congress for consideration on 22 January.

Lantos said: We are all convinced that the time has come to start a dialogue. We do not think that there are any justifications for the press censorship and we believe that human rights must be respected daily.

The U.S. legislators had met with Interior Minister Sergio Onofre Jarpa and with Foreign Minister Jaime del Valle prior to their meeting with President Pinochet. After this meeting, the U.S. legislators talked with political leaders and local press representatives.

Jarpa indicated that there is great interest in the Chilean process because Latin America is enduring some very serious problems that are common to most of the countries, such as the debts contracted in the economic field and the finding of a solution to terrorism, which is the main problem the countries are confronting in the political field. The interior minister indicated that there is great interest in learning about the measures Chile is taking and their results.

Del Valle on Congressmen's Visit

PY142140 Santiago Domestic Service in Spanish 1630 GMT 14 Dec 84

[Text] Chilean Foreign Minister Jaime del Valle has stated that the president does not and will never accept foreign interference in Chilean domestic affairs. Moreover, regarding the U.S. congressional visit to Chile, Del Valle said that Pinochet held a meeting with these U.S. legislators because he can meet with whomever he wants.

[Begin recording] [Del Valle] The president will never accept any foreign interference in Chilean domestic affairs.

[Question indistinct]

[Del Valle] No. As I have already said, they have not made any requests to me. Since I was not present at the meeting with the president, I cannot comment on this meeting.

[Question] But, Sir, they held a press conference after the meeting.

[Del Valle] They can say what they want, but the president will never accept any foreign interference in Chilean domestic affairs or in his own office. [end recording]

The foreign minister said that the U.S. congressmen were on a goodwill tour through Chile and that it was carried out at the request of U.S. Ambassador James Theberge and the Chilean ambassador to Washington.

As for the court report that has been submitted to the Swedish Embassy regarding the three refugees, Del Valle said that the Foreign Ministry attached to the report a note in which it suggests that the Swedish Embassy hand over the people in question to the courts.

Cuadra Comments

PY142005 Santiago Domestic Service in Spanish 1630 GMT 14 Dec 84

[Excerpts] Government Secretary General Francisco Javier Cuadra has stated that it is still very premature to say whether the curfew hours will be reduced during Christmas and New Year.

Cuadra held a press conference during which he reported on three recent violent incidents. He noted that in Valparaiso a Navy patrol has arrested a 16-year-old who has been identified as Cecilia del Carmen Olivares Ahumada. The minor was arrested as she and other unidentified persons were fleeing after placing an incendiary bomb on a bus on the Central-Los Placeres route. Moreover, Cuadra reported that unidentified persons have hurled a bomb at the recreation hall of the Raul Silva Henriquez settlement located in Santiago. One of the Raul Silva settlement leaders, Oscar Marquer Zarza, was slightly injured in the attack. Cuadra also said that 11 agitators who were participating in a hit-and-run protest in Concepcion have been arrested. Among those arrested are two physicians and several students, all of whom have been placed at the disposal of the 8th Region intendant's office. Cuadra said that these actions are all part of a plan that has been carried out in the last few days. He said: These are minor acts but they show the effectiveness of the measures that have been enforced by the government to control subversion.

About the visit of U.S. congressmen, Cuadra said:

[Begin recording] Yesterday they held a meeting with President Pinochet. These are U.S. legislators from the so-called Spanish sector. They informed us that the objective of their visit is to have firsthand information, some background material, on the real situation Chile is experiencing, not only at the political level, but also at the economic and social level, particularly in those areas where Chile has recently experienced substantial development. Therefore, we believe that this is an informative visit and we think that it is a good way in which those persons who have influence in U.S. policymaking may learn how the country is meeting its daily difficulties, how people are working in unison with authorities to overcome them, and how the real situation is completely different from what is being described by the foreign media. [end recording]

Asked about some alleged concerns that the U.S. congressmen have reportedly raised with President Pinochet, Cuadra said that (?there is nothing wrong in requesting something), but that these issues must be resolved by Chileans. He added that he believed it was a good thing that the U.S. congressmen had met with opposition sectors, since by so doing they were able to witness for themselves that the opposition leaders' assessment is not in keeping with the real situation the country is experiencing.

Dismisses Election Before 1989

PY151907 Madrid EFE in Spanish 0627 GMT 15 Dec 84

[Excerpt] Santiago, 14 Dec (EFE) -- Minister Secretary General of Government Francisco Javier Cuadra today said that the constitutional terms of office which have been approved by the people must be respected. Minister Cuadra said this as a response to the requests made yesterday by six U.S. Democratic senators visiting Chile that the election of a congress be called before 1989.

SWEDISH EMBASSY ASYLEES WANTED FOR QUESTIONING

PY160014 Madrid EFE in Spanish 0227 GMT 15 Dec 84

[Text] Santiago, 14 Dec (EFE) -- The judge advocate who is investigating the death of two Carabineros during a commando attack on a police headquarters wants to question the three persons who have sought shelter at the Swedish Embassy. This statement was made here today by Raul Schmidt, director for bilateral policy of the Chilean Foreign Ministry, after delivering an official note from the Chilean Government to Swedish Charge d'Affaires Wakal Wilkinson.

The persons staying at the Swedish Embassy are Patricia Perez Vera, Arturo Tapia Miranda, and Ramon Echeverria, who are among those suspected of belonging to the commando group which attacked the Carabinero station on Gran Avenida on 4 November. When they learned that they were being sought, these persons decided to seek shelter at the Swedish Embassy, which requested on 7 December that they be issued passports to leave the country.

The Swedish charge d'affaires made no statements, merely indicating that he will relay the note to his government.

The Chilean Foreign Ministry representative explained that we have informed the Swedish mission that a court is looking into the case involving the three persons to whom they have given shelter.

STATE OF EMERGENCY EXTENDED FOR 3 MONTHS

PY171212 Santiago Domestic Service in Spanish 1100 GMT 17 Dec 84

[Text] The Interior Ministry, through Decree 1487, has extended the state of emergency for 3 months in all regions of the country. The text of the decree was published in the (?17 December) issue of the OFFICIAL GAZETTE. The decree sets forth that the state of emergency will be extended on 19 December. It also designates the chiefs and officials in charge of the emergency zones, all of whom are high-ranking Armed Forces officers.

SECURITY FORCES DISCOVER, OVERRUN REBEL STATION

PY161055 Paris AFP in Spanish 1647 GMT 16 Dec 84

[Text] Santiago, 16 Dec (AFP) -- It was officially announced here today that Chilean Government security forces have discovered the Movement of the Revolutionary Left (MIR) clandestine Radio Liberacion Nacional and that they took over the modern installations of the clandestine radio which is located in Santiago.

Government Secretary General Francisco Cuadra reported that during a clash that took place before the security forces located the radio installation that was broadcasting for the metropolitan region and the 5th Region (Valparaíso and Vina del Mar), security agents killed a MIR militant who has been identified as Fernando Vergara Vargas. In a Channel 11 television interview, Francisco Cuadra said that the MIR militant had left Chile as a refugee in 1975 but that he clandestinely entered the country in 1980.

Cuadra said that this is a great defeat for the MIR and he added that the MIR's Radio Liberacion Nacional was equipped with modern foreign technology. According to official reports, at the scene security forces found two Czechoslovak submachine guns, 40 dynamite cartridges, and abundant material to manufacture bombs. Cuadra noted that the clandestine radio had several times disrupted local television channels and radios, particularly during the so-called national days of protest.

Report Issued

PY170231 Madrid EFE in Spanish 0152 GMT 17 Dec 84

[Text] Santiago, 16 Dec (EFE) -- Approximately 50 persons were arrested today by Carabinero forces at the Quinta Normal Public Park. According to the report by the state news agency ORBE, these persons had taken advantage of the crowd of visitors to provoke disorder and unrest, forcing the police to intervene. The detainees are being held at Carabinero stations to be placed with the next few hours at the disposal of the appropriate courts.

The National Social Communications Division [Dinacos] has also issued an official report on the death of Fernando Gabriel Vergara Vargas, in a confrontation with agents of the National Intelligence Center (political police).

At noon today, the minister secretary general of government, Francisco Javier Cuadra, stated that Vergara was a member of the outlawed MIR who has been in exile and returned in a clandestine manner to the country. The Dinacos report states that Fernando Gabriel Vergara, on being stopped by the police, responded with gunfire. The police fired back, killing him, and found false documents on him. The official report also states that on raiding his house, in addition to finding weapons and MIR documents, the police discovered the installations of the clandestine Radio Liberacion which has made several transmissions, both in the metropolitan region and in Valparaíso. The official report adds that Fernando Gabriel Vergara, who was exiled in 1975, returned clandestinely to the country, as part of what has been called "Operation Return," which is financed by international Marxism, after taking a course at the Punto Cero School in Havana.

NICARAGUAN CONSUL DECLARED PERSONA NON GRATA

PA161629 Paris AFP in Spanish 1612 GMT 16 Dec 84

[Text] Quito, 16 Dec (AFP) -- Jose Angel Incer, the Nicaraguan consul in Quito, left Ecuador today after being expelled by the government, which declared him "persona non grata" in a note delivered to him on Friday. Incer left for Panama after being implicated in a visit to the Muisne area, in the northern Province of Esmeraldas, on the Ecuadoran seaboard bordering Colombia, where according to the government two Italian priests are instigating the peasants to stage a rebellion.

Comments on Expulsion

PA170141 Madrid EFE in Spanish 1706 GMT 16 Dec 84

[Text] Quito, 16 Dec (EFE) -- Jose Angel Incer, Nicaraguan consul in Quito, was forced to leave Ecuador today "to improve relations" between the two countries, according to a letter sent to him by the Foreign Ministry. This was reported by the consul himself before boarding a plane at the Mariscal Sucre Airport in Quito. He was accompanied by Nicaraguan Ambassador Oscar Cortes to the airport. Incer said that the ambassador advised him of the Ecuadoran Foreign Ministry's note that gave him 48 hours to leave the country.

When he was questioned about possible reasons for the decision, the consul said that it could be connected with his recent visit to the island of Muisne, Esmeraldas Province, on the Colombian border. Incer went to the island at the invitation of Ecuadoran Human Rights Commission to deliver a lecture on Nicaragua's situation. Muisne has recently been the center of a political conflict in which two Italian priests were involved. The governor of Esmeraldas Province has asked that the two priests be expelled from the country. The same governor attributed the consul's presence to a guerrilla movement, which the diplomat said is "completely false." He also denied having assumed a stand that could be considered interference in domestic policy.

Incer said that his expulsion has "seriously undermined" relations between Nicaragua and Ecuador, but expressed the desire that his departure will improve relations as the note states. Ecuador does not presently have an ambassador in Nicaragua; relations are handled by a charge d'affaires.

PRC'S HAN XU SIGNS ECONOMIC COOPERATION ACCORD

PA141807 Buenos Aires LATIN in Spanish 0618 GMT 13 Dec 84

[Text] Quito, 13 Dec (LATIN-REUTER) -- Diplomatic sources reported last night that Han Xu, PRC vice minister of foreign affairs, ended his official visit to Ecuador and traveled to Guyana, making a stopover in Caracas, as part of his tour of various Latin American countries. During his stay in Ecuador, Han Xu held three meetings with his Ecuadoran counterpart Diego Paredes. He also conveyed an official invitation to President Leon Febres Cordero and Foreign Minister Edgar Teran to visit the PRC and signed a joint communique.

The talks which ended yesterday, served to "reaffirm the traditional ties of friendship and cooperation between Ecuador and the PRC and to review the development of bilateral cooperation, highlighting the need to expand and reinforce the political and cultural ties between the two nations," the report stated.

Ecuador and the PRC have maintained diplomatic relations since January 1980. In May then President Osvaldo Hurtado visited the PRC. In addition to signing an economic, technical, and scientific cooperation agreement, Hurtado obtained a \$7.5-million line of credit for the installation of three electricity substations.

"The talks held this time allowed us to confirm that the principles guiding the international actions of the two countries coincide and that the growing relationship opens a broad range of prospects for mutual benefit," the statement added.

The two countries agreed to hold the first meeting of the mixed Ecuadoran-Chinese commission during the second quarter of 1985. They also agreed to take actions to expedite the utilization of the line of credit destined for the purchase of electric equipment, the diplomatic sources stated.

The sources added that there is agreement on the volume of sales for 1985 of Ecuadoran bananas, fish meal, shark fins, cocoa and cocoa products, wood, soluble banana flex [flex soluble de banano], and other nontraditional products to the PRC.

AGREEMENT REACHED WITH BANKS ON DEBT RENEGOTIATION

PA161511 Paris AFP in Spanish 0142 GMT 15 Dec 84

[Text] Guayaquil, 14 Dec (AFP) -- President Luis Febres Cordero announced here tonight that Ecuador and the management committee in New York have concluded a renegotiation of Ecuador's foreign debt until 1989, amounting to approximately \$4.5 billion, for a period of 12 years with a grace period of 3 years at the London Interbank Offering Rate [LIBOR] of 1.75 percent.

The president said that he had received official information from the high-ranking officials in charge of renegotiating the debt with the management committee, which represents over 300 of Ecuador's creditor banks.

According to the report, Ecuador and the private banks agreed to effect a renegotiation of Ecuador's foreign debt, totaling some \$7 billion according to the latest figures, for several years with automatic yearly renewals during the period 1985-89.

SUPREME COURT SUPPORTED BY CONGRESS RESIGNS

PA142152 Madrid EFE in Spanish 2122 GMT 14 Dec 84

[Text] Quito, 14 Dec (EFE) -- The president of one of the two Ecuadoran Supreme Courts of Justice currently disputing their legitimacy -- one of which is supported by Congress and the other by the executive branch -- today announced the resignation of its magistrates.

Gustavo Medina, who presides over the court elected by the Congress in October -- which the government declared "unconstitutional" -- announced that the magistrates had resigned for the sake of national understanding.

Several weeks ago, the Supreme Court supported by the executive branch expressed its willingness to resign if the new court would do the same. In this way President Leon Febres Cordero's recommendation that the new court resign so that a new high tribunal can be appointed in order to put an end to the struggle for power between the executive and legislative branches has been accepted.

SENATOR DIES OF INJURIES SUSTAINED IN ATTACK

PY150149 Paris AFP in Spanish 0023 GMT 15 Dec 84

[Text] Asuncion, 14 Dec (AFP) -- Senator Hermogenes Gonzalez Maya of the ruling Colorado Party was buried here today after dying on Thursday, 13 December, of injuries sustained during an attack which unknown persons carried out at his residence, political circles have reported. According to these sources, approximately 1 month ago a group of unknown persons attacked the senator who was alone at his residence and beat him brutally.

Gonzalez Maya, 68, was senator of the Colorado Party, dean of the School of Economic Sciences of the Asuncion National University, member of the Colorado Party Executive Board, and chairman of the (?Finance and Budget) Standing Committee.

In early November Colorado Party Deputy Victor Chamorro was shot at and Interior Minister Sabino Montanaro and Colorado Party Deputy Leandro Prieto Yegros were threatened with death. The police are investigating all these events, including Gonzalez Maya's death which according to official sources, is another evidence of the repeatedly denounced "subversive timetable."

MOPOCO LEADER RETURNS HOME; LAWYER'S HOUSE RAIDED

PY141340 Asuncion EL DIARIO in Spanish 14 Dec 84 p 8

[Text] Waldino Lovera, member of the Colorado Popular Movement who sought refuge in the sacristy of the cathedral on 10 December when a group of policemen detained 18 members of that movement who had attended a mass at the cathedral, yesterday left the church. It has been learned that Lovera was well treated during his stay in the sacristy and that Archbishop Ismael Rolon carried out negotiations for Lovera's return to his home with all the guarantees promised to him when he was allowed to return to the country.

Relatives of lawyer Felino Amarilla, candidate for the presidency of the Authentic Radical Liberal Youth, have reported to this newspaper that his house was raided by the police and that the reasons for this measure are not known.

PRISON DIRECTOR DENIES POLITICAL PRISONERS' FAST

PY141300 Paris AFP in Spanish 2224 GMT 13 Dec 84

[Text] Asuncion, 13 Dec (AFP) -- This afternoon the general director of the Paraguayan Tacumbu prison told AFP that it was not true that three political prisoners had joined the hunger strike started 10 days ago by six peasants sentenced for armed hijacking of a bus. Lorenzo Cazal Godoy told AFP that the three persons mentioned in some press reports, Roque Ruiz Diaz, Emilio Lugo, and Antonio Gonzalez, are behaving quite normally in prison, awaiting the result of their appeals. They have been charged with violating the law banning communist activities.

Cazal Godoy added that the fasting prisoners, who have also appealed their sentences, were visited today by the president and members of the Supreme Court of Justice during one of their routine visits to the prison. He added that some of them show signs of their fast, but that they are in good physical condition. They work normally and walk about the patio and building without any problems.

The director general of the prison reported that following instructions of Supreme Court President Luis Maria Argana it was explained to the strikers why their appeals were being delayed. He added that although they have still not given up their fast, he is sure they will do so at any moment.

In the meantime, Luis Benitez Riera, secretary of the Supreme Court of Justice, has blamed Francisco Jose de Vargas, lawyer of the Committee of Churches, for deliberately delaying the proceedings. De Vargas has not yet submitted the brief required by the procedural code in the Caaguazu case (the case involving the six peasants) and for this reason the appeal submitted to the court has not yet been considered, Benitez Riera stated. In view of De Vargas' attitude, which is contrary to that of other lawyers who complied with the provisions of the law, the court has urged the peasants to designate a new lawyer. Since they did not do so within the legal term, the court entrusted the public defender to take up their case, and only now will the proceedings involving these peasants be resumed, he told AFP. Had De Vargas complied with what he had been asked in due time, they would all have been free by now, because they have already served their sentences. However, the peasants resolutely continue their hunger strike, awaiting the court's ruling.

PATRIA SCORES INFORMATION FREEDOM PANEL

PY140229 Asuncion PATRIA in Spanish 13 Dec 84 p 24

[From the "Commentary" column by Poncho Pyta: "Devils Dressed as Sheep"]

[Text] We have listened to recordings of the speeches made during the panel on freedom of information held at Radio Caritas. All the speakers say almost the same thing. Nobody upholds the right that the people have to truthful and objective information; neither does anybody uphold that the so-called freedom of expression not become a misuse of freedom to gradually undermine the country's institutions.

We would like to refer to the speech by a Mr Torrens, whom we do not know personally. He spoke on behalf of the university regrouping in the same tone as the other speakers. In the first place, destabilizing and leftist odor exudes from every pore of the so-called regrouping. The same goes for his speech that used the typical language of leftist speakers who call everything that is not at the service of their own interests imperialism.

What would Radio Caritas' founder say if he could hear these speeches being made on his radio station? He would turn over in his grave because if there was ever a staunch anticommunist, it was Father Lavorel. Torrens referred to the workers of Sao Paulo and other parts of our continent, using the repetitive slogans "imperialism" and "imperialists." The question of freedom of expression can be raised, but raising the question of imperialism and so forth at the same time is a bad mistake. This is the style of these speakers, very poor speakers, by the way.

If only these gentlemen would make similar charges in support of all the journalists in the world whose minds and bodies are subject to all kinds of pressures and violence. Why don't they condemn censorship in Nicaragua? Why don't they condemn the government-controlled media in Cuba? Who is stopping them?

The public in general has a right to doubt these young gentlemen's democratic leanings. We rather believe that they support leftist totalitarian regimes. Woe to the Paraguayan citizens if these people were at the head of the government. Then we would see how liberties are curtailed and how revanchism would flourish. We already have the example of Nicaragua and the completely defeated Cuba.

CONGRESS APPROVES \$4.6 BILLION BUDGET FOR 1985

PY160215 Paris AFP in Spanish 1526 GMT 15 Dec 84

[Text] Lima, 15 Dec (AFP) -- The Peruvian Congress last night approved the nation's 1985 general budget, which amounts to 23.869 trillion soles (some \$4.6 billion), during a session that ended as the lawmakers of the American Popular Revolutionary Alliance [APRA], the United Left, and the Christian Popular Party walked out of the room where the session was being held. In race against the clock, though in compliance with constitutional terms, at exactly midnight Congress President Manuel Ulloa announced that the government will enact the 1985 budget bill through a congressional resolution. The incident occurred because the executive board allowed some articles of the bill, which is widely known, to be read. This led the opposition to ask for a vote of censorship of the board. The request was finally rejected by the progovernment majority. In the 1985 budget, the average inflation rate is estimated at 93.1 percent, the average monetary devaluation at 103.7 percent, the average exchange rate at 6.995 soles against the dollar, the GNP growth at 3.3 percent, exports at \$3.139 billion and imports at \$2.525 billion. The budget allocates 6.527 trillion soles (some \$1.3 billion) to pay foreign debt interests and 0.46 trillion soles (some \$92 million) to make payments on the principal.

AFP REPORTS ON VIOLENCE BY PEASANT PATROLS, ARMS CACHE

PY152045 Paris AFP in Spanish 1608 GMT 14 Dec 84

[Text] Lima, 14 Dec (AFP) -- Workers arriving from Ayacucho today announced that armed with machetes, slingshots and sticks, members of Peruvian peasant patrol columns, which are self-defense organizations, had murdered three peasants and raided and looted houses in some eight villages in the most mountainous area of Ayacucho because the residents had refused to join the patrols. According to peasant Silvia Pata, a large group of members of the peasant patrols last Wednesday entered (Piteccpampa), in Huamanguilla, where they murdered three peasants, including two women, and looted and burned several houses. The same group then moved on to (Salviapata), (Chunocc), (Runapacsayanan), and (Mutuypampao), where they furiously destroyed everything in their path and even set fire to a chapel and a school. According to the report, which has not been officially confirmed, members of security forces located in Macachacra had taken part in these actions. In the meantime, a new arsenal of arms, ammunition, and six uniforms with Nicaraguan Army emblems were found by a group of detectives in a house in (Televan), in the jungle area of Cuzco, 1,000 km southeast of Lima. Moreover, some 50 members of peasant patrols perpetrated a bloody attack in the villages of (Piruro), (Incanto-Urco), and (Leonpunta), southeast of Huanata, where they wounded several women and children and looted and burned modest houses, because the male peasants who were working in the fields when the incident occurred, had refused to join the paramilitary organization.

Civil Guard Major Jorge Tapia reported that nine Belgian-made FAL rifles, six uniforms with Nicaraguan Army tags, abundant ammunition, and other supplies were found 2 days ago in (Telvan), in the jungle area of Puerto Maldonado, where 35 members of the Tupac Amaru Movement were captured recently as they were preparing to enter into action. The police chief indicated that information revealed by the detained Tupac Amaru guerrillas, led to the discovery of the arsenal, adding that 26 of the guerrillas are already in Lima and the other 9 are still being held in Cuzco. Interior Minister General Oscar Brush Noel has told the press that the Shining Path group and the Tupac Amaru Revolutionary Movement, which on Saturday, 8 December, carried out a spectacular kidnapping of two television reporters in Lima, are both of communist origin and are receiving foreign aid, because the weapons seized in Cuzco were manufactured in Belgium.

AFP: 'WAVE' OF STRIKES AFFECTS PRIVATE, PUBLIC SECTORS

PY141850 Paris AFP in Spanish 1539 GMT 14 Dec 84

[Text] Montevideo, 14 Dec (AFP) -- A wave of strikes in the public and private sectors has been unleashed in Uruguay seeking several goals, especially salary increases and the reinstatement of dismissed employees. The strikes, accompanied by demonstrations, involve the state enterprises of telecommunications, railroads, and sanitary works, as well as the employees of the Montevideo City Hall, the courts, and the university, who demand a minimum salary of about \$100, plus an increase of \$42. The minimum salary is currently \$65. In the private sector, the strikes involve the banking, textile, transport, and health sectors, and dozens of factories.

Official sources have reported that these demands are due to an increase in union activities on the eve of the assumption of a constitutional government which will definitely have to face the unions. A source close to the National Consensus Commission, a multisectorial organization that studies the set of problems in the country, stated that the strikes are undermining the possibility of a consensus. This source warned that a state of general unrest cannot be handed over to the new government, and this state of unrest is in fact occurring. The pressure is too much, and I do not think that it can lead to anything good, he said.

SANGUINETTI, UN OFFICIAL DISCUSS EXILES' RETURN

PY141848 Montevideo Radio El Espectador Network in Spanish 1600 GMT 14 Dec 84

[Report from the Columbia Palace Hotel in Montevideo]

[Excerpt] The United Nations and President-elect Julio Maria Sanguinetti will make every effort to allow 40,000 Uruguayan political exiles to return to our country. The announcement was made this morning after a meeting held at this hotel by the president-elect with Muhammad Ben Amar, regional representative of the UN High Commissioner for Refugees.

FERREIRA ALDUNATE OPENS BLANCO PARTY CONGRESS

PY152121 Montevideo Radio El Espectador in Spanish 1600 GMT 15 Dec 84

[Text] Wilson Ferreira Aldunate opened the congress of Blanco Party leaders in Durazno today. The leader of the Blanco Party stated that this party was not legitimately defeated and that it will not forget what has been done to it in order to hold the recent elections. Ferreira Aldunate said that he was bitter about what happened on the last Sunday of November.

The congress taking place in Durazno is aimed at evaluating the events related to the elections and the steps which the Blanco Party must take in the future. The congress will also try to assign Wilson Ferreira an official position within the Blanco Party leadership.

Ferreira is slated to make another speech this evening, during which he will probably summarize the results of the meeting. He will speak at the main square of the city of Durazno. The following is an excerpt of the address Ferreira made at the Spanish Theater at noon today:

[Begin recording] The Blanco Party is [word indistinct] today as they remember that which others believe has been a defeat, simply because we know that we have not been defeated, and even if we were defeated it has not been accomplished legitimately. [cheers, applause]

[Words indistinct] cross the t's and dot the i's. We all talk about the need to protect the fate of the nation amid an institutional atmosphere. We have done so louder than anyone else. We have been the first to come out and say: If anyone is to govern this country there must be unity. We will do everything we can to make sure that the country will have the atmosphere of political and social tranquillity which it needs to overcome current difficulties. However, let us understand each other. We will do this because we feel that it is our duty to the nation. We will not do it in exchange for something else, and it does not mean that we will forget everything that has been done against us. [loud, lengthy applause, cheers]

[Words indistinct] everything that we have had to endure. No one can say that we have regained democracy after exemplary elections. These elections were not at all exemplary. [applause, cheers] If I had been an average citizen on whom his party had not bestowed the honor, as it did on me, of nominating him presidential candidate, if, as I say, I had been an average Blanco, Colorado, or Broad Front party member [words indistinct] whom they had prevented from casting his vote, it would have been enough to make the electoral process illegal. [applause]

But the [words indistinct], even though that would have been enough, went on to attack a party and by attacking a party, by taking away from one of the nation's traditional political sectors the right to make its own decisions and vote for whomever it wanted, they thwarted Uruguayan democracy and used once again, not the first time against the Blanco Party, crooked procedures to win at elections which otherwise they would not have won. [applause, cheers]

The response of the Blanco Party, the stand of the Blanco Party is clear when we say that the fatherland comes first. We will swallow our bitterness, if we have any and I must confess that I do have some. [applause, cheers]

The Blanco Party tells the nation at large: We will place the interests of the fatherland above and beyond all other considerations and we will do everything we can to prevent the rebirth of the tragic nightmare of military dictatorship [applause, cheers] and that our party will act through this marvelous ability we now have to rally people, a true surprise, a historical miracle. These who we could, we have rallied and will continue to rally. We will put ourselves at the service of the government which will take over on 1 March and we will be the first to defend it from any attempt to tie its hands; we will make sure that the bullies do not tag along trying to hamper the actions of the branches of government. [applause, cheers] [end recording]

BRIEFS

SUPREME COURT JUSTICE RESIGNS -- Justice Jose Gatto de Souza's resignation as a member of the Supreme Court has been accepted. De Souza said that he resigned because he has already completed his term and not because of the Wilson Ferreira Aldunate case. [Summary] [Montevideo EL DIA in Spanish 6 Dec 84 p 10 PY]

ISRAEL'S SHAMIR MEETS WITH LUSINCHI, MORALES PAUL

PA140457 Caracas Radio Rumbos Network in Spanish 2100 GMT 13 Dec 84

[Text] Venezuelan Foreign Minister Isidro Morales Paul and Israeli Vice Prime Minister Yitzhaq Shamir met today at the Yellow House for 1 and 1/2 hours. At the end of the meeting, Shamir told journalists that the main objective of his visit is to consolidate and expand cooperation between Venezuela and Israel. Toward this end, two agreements will be signed tomorrow, one for scientific-technological cooperation and another in the field of agricultural development. Shamir has also met with President Jaime Lusinchi and with Leonardo Ferrer, vice president of the Venezuelan National Congress. Tomorrow morning he will meet with members of COPEI's directorate, and in the afternoon with Gonzalo Barrios, president of the Democratic Action Party.

Agreements Signed

TA141910 Jerusalem Domestic Service in Hebrew 1900 GMT 14 Dec 84

[Text] Foreign Minister Yitzhaq Shamir today signed cooperation agreements with Venezuela in the areas of science, technology, and agriculture. At the end of his visit to Caracas, Shamir said that in his meetings with the president of the foreign minister, Middle Eastern and Central American issues among other topics were discussed. He again expressed Israel's support for the four Contadora countries, one of which is Venezuela. Yitzhaq Shamir will depart for New York tomorrow.

MORALES PAUL ON CUBAN SUPPORT FOR ESSEQUIBO TALKS

PA150410 Paris AFP in Spanish 0036 GMT 15 Dec 84

[Text] Caracas, 14 Dec (AFP) -- Venezuelan Foreign Minister Isidro Morales Paul said today that the Cuban Government's support for the Venezuelan-Guyanese negotiations to resolve their territorial difference constitutes "an initial sign of rectification" on the part of Cuba and "a factor" for bringing about a detente between Havana and Caracas.

The top Venezuelan diplomat made this statement after the foreign ministries of the two countries confronted each other regarding Cuban Foreign Minister Isidoro Malmierca's visit to Guyana.

In a joint communique issued with his Guyanese colleague, Malmierca stressed Havana's "full support" for the respect of Guyana's territorial integrity.

Venezuela and Guyana have maintained a century-old controversy over the Essequibo, a territory of more than 150,000 sq km. Venezuela claims that territory, saying that it was taken away by Great Britain and then annexed to what is today Guyana.

The Venezuelan Foreign Ministry described the communique as Cuban "meddling" in matters pertaining only to Venezuela and Guyana.

On Thursday, Isidoro Malmierca told the Cuban news agency PRELA that Havana "warmly and fraternally supports" negotiations between Caracas and Georgetown to resolve their differences.

However, Malmierca described the Venezuelan Foreign Ministry statement as "unjustified and untimely."

He said that Cuba has not replied to that statement to avoid further comments on that matter in international circles. Malmierca added that the Georgetown declaration was "on principles."

Isidro Morales Paul, the Venezuelan foreign minister, said that Malmierca's statement "constitutes an acknowledgement that the Venezuelan stand was the correct one and is a sign of rectification on Cuba's part, because that country is at least making an attempt to clarify its stand on the joint declaration with Guyana."

When asked whether the Venezuelan reaction was untimely, Morales answered no. He added: "Cuba finally decided to reply now, which means that their previous silence practically constitutes acknowledgement that our stand is the correct one."

When asked whether this Cuban support favors detente between Havana and Caracas, he said that "it is at least a step in that direction. However, future events will tell."

GOVERNMENT TO PROTEST COLOMBIAN AIR FORCE INCURSION

PA151835 Paris AFP in Spanish 1813 GMT 15 Dec 84

[Text] Caracas, 15 Dec (AFP) -- Three helicopters and 20 men of the Colombian Air Force made an incursion last Thursday in Castilletes, in the far northwestern part of Venezuela. The Caracas government will present a formal protest this coming Monday, Venezuelan Foreign Minister Isidro Morales Paul announced today.

BELGIUM'S PRINCE ALBERT ENDS 5-DAY VISIT

FL141616 Mexico City NOTIMEX in Spanish 0218 GMT 14 Dec 84

[Text] Mexico City, 13 Dec (NOTIMEX) -- Prince Albert of Liege today ended a 5-day official visit after signing agreements that will allow cultural, economic, and political exchanges between Mexico and Belgium.

The Belgian Embassy in Mexico described Prince Albert's official visit as successful. It also said that Prince Albert, the Belgian king's brother, offered the most advanced technology for the construction of a rapid train, which is being considered in the urban transport restructuring plan here, to Ramon Aguirre Velazquez, chief of the federal district department, the capital's government.

It added that Prince Albert also met with Secretaries of Foreign Relations Bernardo Sepulveda, of Finance and Public Credit Jesus Silva Herzog, of Commerce Hector Hernandez Cervantes, and with PEMEX Director Mario Ramon Beteta, with whom he laid the foundations for trade exchanges.

SENATE APPROVES MARITIME AGREEMENT WITH CHINA

FL142024 Mexico City NOTIMEX in Spanish 1852 GMT 14 Dec 84

[Text] Mexico City, 14 Dec (NOTIMEX) -- Mexico's official daily has announced the approval of an agreement that will facilitate maritime traffic between Mexico and China.

The document, signed between the two countries on 18 July, was approved by the Mexican Senate.

SEPULVEDA COMMENTS ON PRINCIPLES OF FOREIGN POLICY

FL151848 Mexico City NOTIMEX In Spanish 0005 GMT 15 Dec 84

[Excerpts] Mexico City, 14 Dec (NOTIMEX) -- Mexico's Foreign Secretary Bernardo Sepulveda Amor today emphasized that Mexico has a long history of upholding and defending its national principles of diplomacy before the world.

At a ceremony to commemorate the 10th anniversary of the founding of the Matias Romero Institute of Diplomatic Studies, Sepulveda Amor said that the country did not just spontaneously generate its defense of nonintervention, self-determination, and the nonuse of force, and its support for the peaceful resolution of differences and international cooperation in development.

The foreign minister announced that under presidential instructions, the institute will receive the monetary portion of the Prince of Asturias Prize, which was recently granted to Mexico, Colombia, Venezuela, and Panama for their political and diplomatic peace efforts in Central America.

PRESIDENT DISCUSSES DEMOCRACY, NATION'S PROBLEMS

PA152321 Panama City Domestic Service in Spanish 2222 GMT 14 Dec 84

[Speech by Panamanian President Nicolas Ardito Barletta on Loyalty Day from the Cathedral Plaza in Panama City -- live]

[Text] Dear friends, let us begin with a cry of loyalty and say: Long live Omar Torrijos Herrera. [applause, shouts] Above all, I wish to thank you for this demonstration of peace and loyalty. Above all, I wish to thank you for showing that you can march with faith, in peace, and with genuinely Panamanian enthusiasm. [applause, shouts]

With this march, we have demonstrated a loyalty to peace. However, we are also celebrating a full range of loyalties. We recall the loyalty of the National Defense Forces [FDN] to their commander, General Omar Torrijos Herrera. [applause, crowd shouts: "Omar, Omar"] We recall the loyalty shown by General [Manuel Antonio] Noreiga, the current FDN commander, to Gen Omar Torrijos Herrera. We recall Gen Torrijos' loyalty to the principles of fulfilling the Panamanian people's needs. [applause, shouts] We recall the loyalty shown by Gen Torrijos and the FDN when they said that we will return to democracy. We have returned to democracy according to the Panamanian people's wishes. [applause, shouts]

We recall the loyalty shown by us through strengthening this democracy, defending it, and using it as vehicle for resolving the problems that plague the people at this difficult time. Therefore, we recall the supreme loyalty, the loyalty of all of us to our homeland, the loyalty to our children, to our parents, to ourselves who, being aware that we are experiencing a difficult time, are prepared to work together to solve our problems. [applause, shouts]

At this time of loyalty to our homeland, we recall that our homeland is momentarily wounded because there are still some who want to sow division among Panamanians and to endanger the peace all of us wish to maintain. [applause, shouts]

We tell all of those who do not want the consolidation of our democracy to continue that we are standing here firmly to defend that democracy, to defend the people, and to continue working for their benefit. [applause, shouts] We ask all of them to look at this march -- which has been free and spontaneous, as one can see by your faces; which has been militant and combative, as one can feel from the emotion arising from this plaza; which has been respectful because we are precisely evoking General Torrijos' memory -- today to gain impetus and to move forward in our struggle for the Panamanian people. [applause, shouts]

We, a large number of Panamanians, are here. We became united under a political alliance to win an election and to work for our people. We, members of the Revolutionary Democratic Party [PRD], are here to succeed in that struggle. We, members of the Labor Party [PALA], are here. [applause, shouts] We, members of the PALA, the Liberal Party, the Republican Party, FRAMPO [Popular Broad Front], and the Panamenist Party, are here, united. We joined together not only to win that election but also to run a government of the people and for the people. We know how to carry out a united struggle at difficult times and will know how share the victories we will achieve in the next few months with the people. [crowd shouts: "Omar, Omar"]

Friends, we have marched today to express, as the majority force in our nation, our profound loyalty to the political process and the principles that inspired it because they have been the factors that have not only allowed Panama to live in peace, but also to become, a factor that promotes the cause of peace for all peoples along with other nations.

Today, we are expressing our firm conviction that we are reflecting all that is good from the past -- the essence of Torrijism -- which means ideological pluralism, respect for the poor and their expectations, and the need to grant opportunities to meet the aspirations and needs of our people. Above all, we wish to tell the world that we can settle our differences and find solutions to our problems through dialogue and consensus. [applause, shouts]

We have marched today because at the polls on 6 May we expressed our determination to walk toward the future, toward the historical commitment to Torrijism to consolidate by the end of this century our goals of independence, sovereignty, and national liberation with a country that will be fully developed and will render full justice to its people. We have marched today to specifically defend what we won at the polls which cannot be wrested from us through sedition on the streets. [applause, shouts]

Today, it behooves all Panamanians to build up a participatory, stable democracy in which differences can be settled in established institutions such as the Legislative Assembly and not through front organizations behind which anarchy, chaos, and restlessness hide. [shouts]

At this moment, when we are just beginning the work of our administration, we must tackle difficult situations. However, we must confront them through dialogue with our people, with respect for our people, and by listening to our people in such a way that whatever we must do will be the result of consultation and dialogue and will reflect the wishes of the majority of our people.

That is why at the time, when we are facing some trouble, we must renew our permanent commitment because as long as attention is not given to the poor and the downtrodden, to each unemployed Panamanian, to each neglected Indian, to each impoverished peasant, to each insecure businessman, to each student lacking the opportunity to attend classes, and to each sick person not being treated, we will have a thwarted hope. We must solve this by uniting and working together with our people. [applause, shouts]

Let us remember that in this struggle we have set five major goals that we will keep in mind throughout this administration. We have set the goals of continuing to struggle for the benefits required by our people to achieve development, to struggle for Panamanian women, to struggle for Panamanian youth, to struggle for single mothers, and to struggle to generate the jobs required by the Panamanian people. [shouts]

In order to succeed in meeting all of these needs of the Panamanian people we must revitalize our economy. All of those who can produce must produce in order to generate jobs and increase the benefits required by our people. For this to be [words indistinct] stable, a public administration in which public employees will know that they have a career status that gives them security and allows them to work in order to bring benefits to their people. [applause, shouts]

However, these objectives of meeting our people's needs, generating jobs, affording opportunities to public employees, and improving public administration [shouts] can only be achieved if we develop our democracy. The development of our democracy means respectful dialogue, a dialogue that is not seditious, a dialogue that permits us to jointly find solutions to our problems. [applause, shouts]

It just cannot be that as we barely begin to implement our democracy there are groups that have no use for it; that do not want to allow the Legislative Assembly to resolve the serious problems plaguing us in consultation with our people; and that they can imperiously impose on us their views regarding the solution to our problems. [shouts]

That is why our response through this large demonstration is that we reassert our democratic beliefs. We reassert our adherence to peace, which is what all Panamanians want. We reassert our desire for dialogue and understanding to solve our problems. We reassert the Torrijist principles of full dedication in order to achieve the Panamanian people's goals. [shouts]

All of us Panamanians have a shared responsibility with regard to this effort. This demonstration is telling all of our compatriots that we are prepared to assume this shared responsibility so that we may look for solutions to problems in a peaceful dialogue; so that if we must share sacrifices, we will share them all; and so that in sharing the benefits, we will also be able to share them all in a patriotic, noble gesture. [applause, shouts]

I want to take this time and the opportunity you are giving us to give thanks not only to those present in this plaza, but also to those who are still at Santa Ana Plaza because they have been unable to reach this place as part of this large demonstration. [applause, shouts]

I want to take this opportunity, this demonstration of conviction, militant support, cheerfulness, peace, loyalty, and profound Torrijism to tell all Panamanians that this government will respond to their needs; that this government will respect the democratic institutions; that this government enjoys the faith and confidence of the Defense Forces because this government recognizes their role in our nation's life and because this government also sees them as a source of stability for our national security. [applause, shouts]

We want [shouts] to tell the Panamanian people that their president, who is backed by this great people, is also the president of all Panamanians. [shouts, applause]

If in this demonstration we have gathered a large number of Panamanians who support our efforts in favor of the people, we also confidently but firmly extend the invitation to all others to come to work with us to resolve our country's serious problems so all of us can forge ahead together. [applause, chanting]

The slogan of our campaign and government has been: Let us work together to solve our problems jointly, to maintain peace, to honor our parents, to defend the future of our children, and to show the world that at this difficult time, Panama, which has struggled to consolidate its independence, will know how to maintain its peace and achieve development amid democracy, a democracy based on the deep feelings of the Panamanian people. Thank you very much, friends. [applause, shouts]

BRIEFS

NEW GOVERNORS NAMED -- The president of the Republic, Dr Nicolas Ardito Barletta, today appointed six of the nine provincial governors and the intendant of the San Blas region. They are: Samuel Binns for Bocas del Toro; Dario Fernandez for Cocle; Jose de la Paz Valencia for Colon; Alejo Martinez for Darien; Dimas Moreno for Los Santos; Pedro Ceballos for Veraguas; and Demetrio Porras for San Blas. The chief of state will announce the names of the new governors for the Provinces of Herrera, Chiriqui, and Panama at a later date. [Summary] [Panama City LA REPUBLICA 13 Dec 84 p 1 PA]

SUPREME COURT PRESIDENT -- Justice Marisol Reyes Vargas de Vasquez was yesterday chosen new president of Panama's Supreme Court, winning by a 5-3 vote over her contender Justice Luis Carlos Reyes. The victory gave Mrs Vasquez the distinction of being the first woman to hold the post. She will be installed Jan 1, 1985, after the term of incumbent President Americo Rivera expires on Dec 30, 1984. [Excerpt] [Panama City STAR AND HERALD in English 15 Dec 84 p 1 PA]

BELIZEEQUIVEL TO HEAD GOVERNMENT; UDP WINS 21 SEATS

PA161834 Paris AFP in English 1824 GMT 16 Dec 84

[Text] Belize, Dec 16 (AFP) — Manuel Esquivel the 44-year old former physics teacher whose United Democratic Party swept elections on Friday, will be declared the official winner on Monday and will take office on [word indistinct] officials said today. The party of Mr Esquivel, who entered politics in this former British colony in Central America only four years ago, won 21 of the 28 seats in the Parliament in Belmopan, the capital.

The victory ended Prime Minister George Price's 23-year dominance of politics here. Mr Price, a 65-year-old Social Democrat, said he would help his successor "in matters of national interest." Mr Esquivel, a conservative, is expected to seek closer ties with the United States.

[Belize City Domestic Service in English at 1300 GMT on 15 December adds: Out of a total of 64,447 registered voters, approximately 48,000 voters went to the polls [words indistinct].]

[Paris AFP in English at 0739 GMT on 15 December adds: George Price himself, the only prime minister Belize has ever had, was defeated in his own home district, Freetown, by Derek Aikman, by 876 votes to 570, the electoral commission said. Other prominent members of the ruling party who were defeated were the minister of education and development, Said Musa, and several party leaders, including Remigio Montejo, Carlos Díaz and Rafael Chavez.]

ESQUIVEL DISCUSSES SECURITY, U.S. MILITARY PRESENCE

PA162330 Panama City ACAN in Spanish 1742 GMT 16 Dec 84

[By Felix Pachó Reyero]

[Text] Belize, 16 Dec (ACAN-EFE) — Belize's new prime minister, conservative Manuel Esquivel, has said that in order to defend the territory from "a Guatemalan invasion," he prefers that the British Army remain here and that the U.S. Army not come.

"For Belize's security, we prefer that the United Kingdom's Army remain here because it has good relations with the Caribbean and Central American countries, even with Nicaragua and Cuba, and that the U.S. Army not come because it is unpopular in both areas," Esquivel told ACAN-EFE.

"We are trying to save ourselves from the Central American conflict, which is bleeding many nations in the area, and from a Guatemalan invasion. However, we only have a national force of 800 men who are poorly equipped and have little combat experience," the Belizean prime minister added.

For more than 100 years Guatemala has felt that Belize is part of its territory and has not yet recognized it as a new state, although Belize ceased to be a British colony and gained independence on 21 September 1981. Furthermore, the Guatemalans broke off relations with the UK because they felt the UK had unilaterally granted Belize independence, forgetting the negotiations that the three countries were carrying out.

Margaret Thatcher has expressed the desire to withdraw British troops from Belize because maintaining them there is a serious economic burden and because she does not agree with the presence of British soldiers in territories that are no longer colonies and that have democratic regimes. "If the British Army left this country, we would be defenseless before a possible aggression from Guatemala," Esquivel insisted.

The Belizean prime minister said that he is willing to consider a U.S. proposal, if it were made, to install in Belize the School of the Americas, which is seeking a new home after closing 2 months ago in Panama in fulfillment of the Torrijos-Carter canal treaties. "However, that proposal could never include the installation of a military base or limit Belizean sovereignty," the prime minister stressed.

During the past 40 years, almost 50,000 Ibero-American officers graduated from the School of the Americas, which is maintained by the U.S. Armed Forces Southern Command. "What we really need from the United States is a statement to the effect that it will not allow an invasion of Belize from Guatemala," Esquivel told ACAN-EFE.

The Belizean prime minister added that if the current Guatemalan military regime establishes a civilian, democratic regime in 1985, and if the new Guatemalan constitution does not state that Belize is part of its territory, a dialogue could be initiated between the two countries. Esquivel pointed out that he would be willing to hold good neighborly cultural and economic relations with Guatemala, and even grant that country a toll path to the Atlantic Ocean as long as the path does not signify Guatemalan control over Belizean territorial waters.

COSTA RICA

AUXILIARY BISHOP CONDEMNS WAR, ARMS DELIVERIES

PA161531 San Jose Radio Impacto in Spanish 1830 GMT 14 Dec 84

[Excerpts] This morning, Msgr Antonio Troyo, San Jose auxiliary bishop, disclosed the most important aspects of the latest document drafted by the region's bishops regarding the current situation in Central American.

He spoke during a breakfast held by the Costa Rican Christian Friendship Group [Grupo de Amistad Cristiana]. The breakfast was attended by more than 500 people, including National Liberation Party hopefuls Oscar Arias and Carlos Manuel Castillo, the presidential candidate for Social Christian Party Unity Rafael Angel Calderon, and Vice President Alberto Fajit Lizano. All of them spoke after listening to Msgr Troyo, who said that the document, entitled "Our Salvation is Christ," is a response to the document on liberation theology published a few months ago. Liberation theology cannot be accepted and Central American bishops have created a study center to promote the genuineness of the Gospel and Christ's mission.

Referring to the area's situation, Msgr Troyo said:

[Begin recording] We can but condemn war and the sending of arms to Central America. We made a fervent appeal for a dialogue for peace. We are also deeply concerned about the problem of militarism because this violent situation has generated an exaggerated presence of armed forces in all aspects of life and nearly all our countries. Armed forces members have formed a privileged class. These people intrude upon the civilian aspects of life and frequently occupy the most important posts. This accelerated growth of the military apparatus has brought about huge expenditures. The arms traffic greatly increases the danger of a bigger confrontation in Central America. In order to keep their hegemony according to national security outlook, armed forces exert a dehumanized control over human beings in all aspects.

[Words indistinct] public and private corruption. Our document analyzes the drama of poverty which has to be considered in the light of public and private corruption. The constant growth of our foreign debt reveals a cold, dehumanized idea of international economy. In addition, we, as pastors, have observed an alarming reduction of the most urgently needed service in our society. Foreign debt increases and service to people decrease. Economic austerity measures imposed by international organizations always hit the poorest and most needy the hardest in all aspects, such as health, work, housing, and education. [end recording]

ANTICOMMUNIST LEADER ON U.S.-CUBAN AGREEMENT

PA161741 San Jose Radio Impacto in Spanish 1830 GMT 15 Dec 84

[Statement by Dr (Rodrigo Navas), vice president of ESA, Anticommunist Salvation Army: date and place not given -- recorded]

[Text] We address this message to the Reagan administration and the U.S. Embassy here in Costa Rica. You are giving a great privilege to the bearded Cuban by allowing 20,000 Cubans and their relatives to emigrate to the United States through a U.S.-Cuban treaty. You should also give that great privilege to all Nicaraguans who are living in Nicaragua under the Communist Marxist-Leninist boot and who urgently need permission to leave Nicaragua for the United States to enjoy the same privileges mentioned in this communique.

We want to take advantage of this opportunity to tell President Reagan that unless the United States helps in the liberation of Nicaragua, in approximately one year El Salvador, Honduras, Peru, and possibly Costa Rica will all fall, because the nine bearded Communists ruling Nicaragua have laid their hands on all of Nicaragua's wealth, and are in fact planning that course of events in the immediate future.

EL SALVADOR

ARMY SECTORS REJECT REBELS' HOLIDAY TRUCE

PA160325 Buenos Aires LATIN in Spanish 2314 GMT 15 Dec 84

[By Mark Baillie]

[Excerpt] San Salvador, 15 Dec (LATIN-REUTER) -- The chief of the Salvadoran Army today rejected a Christmas truce proposed by the leftist guerrillas, and President Jose Napoleon Duarte said that he would order the Armed Forces to guarantee safety during the holidays.

"There is no reason why we should respect a truce that did not come from our Armed Forces," Colonel Adolfo Blandon Army chief of staff, told REUTER during a military ceremony held in the northern town of La Palma.

At another ceremony Duarte told the press that the call for a truce was important, but he added that he would order the Armed Forces to guarantee safety throughout the country during the holidays. It was the first presidential comment since the guerrillas made their call for a truce on Tuesday. The president did not offer further details.

The FMLN announced that the unilateral truce will be observed during the 3 days of the Christmas holidays and the 3 days of the New Year holidays. The FMLN promised that regardless of the government's answer it would only fight if attacked by the Army.

Military sources said that many officers believed that heeding the call for a truce would be the same as recognizing the rebels' claims that they control several areas of the country and that they have a rival army. Two days ago a government spokesman, Oscar Reyes, said that the government would respect the truce but under its own conditions. "The Army will not surrender," he added.

The sources said that today's ceremony during which approximately 500 new recruits were sworn in and which was held in La Palma, 70 km north of San Salvador, represented a declaration from the sectors of the Army that they reject the negotiations and want a military solution for the war.

Minister Terms Truce 'Positive'

PA160302 San Salvador DIARIO LATINO in Spanish 14 Dec 84 pp 2, 11

[Text] Julio Adolfo Rey Prendes, Salvadoran minister of the presidency, said that the Salvadoran Government believes that the guerrilla's decision to declare a truce on the occasion of the Christmas and New Year holidays as proposed by the church is a positive step. The minister made this statement yesterday after the FMLN-FDR's unilateral decision to accept a truce was announced. This guerrilla attitude also responds to the people's clamor for peace and to President Duarte's initiative to accept the truce from the moment it was suggested at the Ayagualo meeting. This forced the guerrillas to respond in a positive manner. However, the FMLN-FDR communique does not mention the efforts made by Msgr Arturo Rivera y Damas, archbishop of San Salvador, because they wish to appear as the promoters of the initiative.

Minister Rey Prendes deplores the fact that guerrilla groups have only declared a 6-day truce -- 24, 25, 26, 31, December and 1, and 2 January -- rather than the 13 days originally suggested. In the beginning they agreed to allow free traffic during that time.

The terrorists' change of mind cannot but please the government, the presidency minister added, and he hopes that the rebels will take the next positive step and stop insisting on unconstitutional proposals. All that is left now is to wait for the FMLN-FDR to rectify their proposals to allow a continuation of the peace efforts for which all Salvadorans hope.

'MONTERROSA BRIGADE' DEMANDS INQUIRY INTO CRASH

PA142017 San Salvador Radio Cadena Sonora in Spanish 1200 CMT 14 Dec 84

[Text] We have received a communique from the special command of the Domingo Monterrosa Brigade [Brigada Domingo Monterrosa]. Telephone calls have been made demanding that this communique be read. The communique states:

This is Communique No 1 of the special command of the Domingo Monterrosa Brigade. On this occasion, we inform the combative officers of the glorious Armed Forces and the people in general:

1. This command, taking into consideration that the government and the Armed Forces High Command have not been interested in providing a satisfactory explanation of the death of the leader of the suffering Armed Forces and the people, states:

A. We demand an immediate and broad explanation of how our leader, Colonel Domingo Monterrosa, and those who were accompanying him died. If this is not done, this command will take charge of the matter, since all the people know that the government and some in the High Command know how it happened and that they have been unwilling to tell the Salvadoran people the truth.

2. This command informs everybody that as of today it will begin working with the people to remove military and civilian communists within the government so the people can put them on trial for having betrayed the fatherland.

We will also take care of all the members of any news media source that does not make this communique or future communiqués from this command known.

Together we will win.

[Signed] Special Command of the Domingo Monterrosa Brigade

TENORIO COMMENTS ON NICARAGUA, FOREIGN POLICY

PA140342 San Salvador EL DIARIO DE HOY in Spanish 13 Dec 84 pp 3, 62

[Text] Foreign Minister Jorge Eduardo Tenorio has asked the Sandinists to stop sending weapons to the subversive groups attacking El Salvador. Tenorio said that it is difficult to reach an understanding with the Sandinists, and that although they continue supporting terrorists, and continue sending them weapons and giving them logistical support, President Duarte is willing to meet with the Sandinist leaders, as he said in Miami, in order to try to restore regional peace.

Regarding the Nicaraguan elections, Tenorio said that they were controlled, and not free elections. In other words, there was no electoral process, the parties did not have equal opportunities, and therefore, the opposition did not participate. Tenorio added: Unfortunately, Nicaragua continues to be a satellite country, under a totalitarian regime that shows no signs of wanting to return to democracy.

He added that the Sandinist "victory" in the past elections is merely the continuation of the same policy opposed to pluralist democracy and of disrespect for the neighbor countries, of a clear and open intervention and of abuses, clearly demonstrated by their sending weapons to the guerrillas.

Foreign Minister Tenorio demanded respect from the Sandinists, and that they observe the same attitude of the Salvadorans, who respect self-determination.

Minister Tenorio also made note of some agreements and loans recently signed with friendly governments. As an example, he said that Italy has sent a donation of 11 million pounds of rice to El Salvador and will also donate agricultural equipment to be used in areas under the agrarian reform. Tenorio noted that the transfer of 200 Salvadoran families to Argentina as refugees is being arranged through the Intergovernmental Immigration Committee [Comite Intergubernamental para las Migraciones], adding that this organization is also helping in the repatriation of Salvadorans currently in Honduras. He also mentioned that a commercial and credit agreement will be signed to bring in products from Uruguay.

Tenorio said that the reorganization of the foreign service will continue and that the ambassadors to Canada, Spain, and other countries where the positions are currently vacant will be appointed next year.

Regarding Contadora, Tenorio said that the efforts are apparently at a standstill, which he considered normal, adding that in his opinion, the group is still alive, and continues its search for peace in Central America.

200 REFUGEES RETURN FROM HONDURAN CAMPS

PA150513 San Salvador LA PRENSA GRAFICA in Spanish 14 Dec 84 pp 3, 43

[Text] More than 200 Salvadoran refugees who returned from camps located in Colomancagua, Honduras were transferred to San Miguel yesterday. From there they will be relocated to Salvadoran refugee camps.

The refugees had been transferred by members of the UN High Commissioner for Refugees, UNHCR, from Colomancagua to El Poy, in Citala, Chalatenango Department. From there they traveled by bus because the UNHCR had only given 100 lempiras to each family, which was not enough to buy the food and medicine they needed.

As soon as he learned about the arrival of the refugees, Salvador Molina, member of the National Emergencies Committee [Comite Nacional de Emergencias] contacted the members of the Intergovernmental Immigration Committee, [Comite Intergubernamental para la Migracion] who took care of them and sent them in buses to San Miguel.

They will be in a school there, upon orders from Education Minister Jose Alberto Buendia Flores, until they can be transferred to La Reforma in Moncagua, San Miguel Department, and Santa Barbara, in Morazan Department.

The Salvadoran Red Cross branch in San Miguel will attend to the refugees while they are in San Miguel, and the National Commission for the Care of the Displaced, Conades, will handle their relocation. The Intergovernmental Immigration Committee was represented in the action by Bruno Silvestre, Nery Granados, Victor Balcaceres, and Salvador Molina.

REBELS REPORT GOVERNMENT TROOPS DESERTING

PA141424 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 14 Dec 84

[Text] There have been new reports of desertion and demoralization among the dictatorship's troops in Morazan Department. There is a report that at the end of November 90 soldiers from the appropriately named Ronald Reagan Battalion deserted in San Francisco Gotera, Morazan Department.

This situation shows that our brother soldiers are becoming aware of the fact that it is absurd for a peasant or worker to remain in an army that oppresses the peasants and the workers.

On 29 November, the simple Colonel Maravilla ordered forced recruitment and captured 250 young men who were then taken to the San Francisco Gotera barracks. We have been informed that 200 of these young men had deserted by 10 December. We like to note the patriotism and bravery of these 200 young men who abandoned the Army at the service of rich oligarchs such as Prudencio Yas and Carlos de Yas.

These are young Salvadorans from Morazan. These young men realized that they could not belong to an army that defends the interests of a bunch of exploiting families, that they could not belong to an Army that betrays the fatherland.

We greet these 200 young men and other soldiers in Morazan Department who have decided to abandon an Army that keeps them by force [words indistinct].

GUATEMALAMEJIA VICTORES DENIES U.S. PRESSURE OVER BELIZE

PA150627 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 14 Dec 84

[Excerpt] Guatemalan Head of State Oscar Mejia Victores today denied that his government is being pressured by the United States to give up its territorial claim to Belize. This week, Raul Henriquez, president of the so-called Union for Guatemalan Recovery of Belize [Urge-Belize], said that the Reagan administration demanded that Guatemala give up its efforts to recover Belize as a condition to grant military and economic aid to our country.

General Mejia Victores said that his government will not allow this kind of pressure from any sector. Rumors of alleged U.S. pressure on Guatemala, which were thus rejected by the head of state, had been linked to an alleged U.S. plan to establish a military base in Belize.

Andrade Dismisses Rumors

PA140405 Guatemala City Radio Television Guatemala in Spanish 0400 GMT 13 Dec 84

[Text] Guatemalan Foreign Minister Fernando Andrade Diaz-Duran dismissed a rumor that the U.S. Government is pressuring Guatemala into dropping its demand regarding Belize. This pressure reportedly has taken the form of the U.S. setting conditions on its military and economic aid to Guatemala.

The charge was made yesterday by Raul Henriquez, president of the so-called [word indistinct] committee. Andrade, however, said that he scanned reports by international news agencies without seeing any mention of the alleged U.S. pressures.

[Begin recording] I have no idea where these comments have come from. As I have said many times, Guatemala has very cordial relations of mutual respect with the United States. The Belize topic has not been discussed at all. I spent the day [word indistinct]. No international agency has touched upon this topic that you mentioned. No serious international agency has published anything on this. [end recording]

Also, regarding Belize and talks with the United Kingdom, Andrade has said that these talks will resume next January.

[Begin recording] During this year, Guatemala has held informal, preliminary talks with the UK Government and delegates from Belize in New York. We feel confident that talks will be resumed next year. Guatemala hereby reiterates its stance of not recognizing the independence that the United Kingdom granted Belize. Guatemala, however, is willing to continue holding talks for a definitive solution to this problem. [end recording]

FINANCE MINISTER FIGUEROA ON IMF MEETINGS

PA160317 Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 15 Dec 84

[Text] Last night, Guatemalan Finance Minister Dr Leonardo Figueroa Villate reported that the IMF will not unfreeze \$60 million in credits that were targeted for Guatemala. The official made this statement from the La Aurora International Airport's protocol room upon returning from Washington.

The finance minister clearly stated that the IMF will not provide the \$60 million corresponding to June, September, and December because Guatemala failed to meet qualitative requirements, although it did meet quantitative requirements. He added that Guatemala also failed to free its exchange rate.

However, Minister Figueroa Villate said that the IMF has favorably changed its attitude toward Guatemala: in fact, meetings were very cordial and tension free.

The minister said that Guatemala presented an outline of and briefed IMF officials on the reasons for a number of measures aimed at reactivating the country's economy, including immediate measures such as the unofficial market. Guatemala established an exchange rate of 1.47 and 1.49 [quetzales] per dollar, but the IMF said that this exchange rate must be reduced as much as possible.

The finance minister said that Guatemala told the IMF that the country is negotiating with other banks and therefore needs IMF support. The IMF said that it will report to those banks on the positive steps taken by Guatemala. He said that the IMF also offered technical assistance in fiscal as well as exchange rate issues.

Summarizing, the minister said that the IMF attitude is now very favorable toward Guatemala and that this will help accelerate pending loans for our country with the IDB and the World Bank.

PLAN TO CREATE 20-YEAR GOVERNMENT DISCLOSED

PA160415 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 15 Dec 84

[Text] Yesterday's edition of DIARIO LA HORA carried an item regarding a political plan to create a 20-year government in which four political parties would be involved. This information was reported by "Guatemala Flash" 15 days ago after statements made by Alfonso Cabrera. This afternoon Cabrera, assistant secretary general of the Christian Democratic Party [PDC] and a Constituent Assembly deputy, reaffirmed his statement adding that the alleged 20-year government plan was drafted by Alejandro Maldonado Aguirre of the National Renewal Party [PNR].

According to Cabrera, Maldonado Aguirre drafted a government plan to include a distribution of the terms in office and participation. The plan is to create an alliance among the Union of the National Center [UNC], the PDC, the PNR, and the Revolutionary Party [PR]. Each of these parties would govern for a period of 5 years. Cabrera added that his plan would keep the right out of power for some time and ensure a single government during that time.

However, it was learned today that this plan, which was drafted by Alejandro Maldonado, was discarded because it would subject the people to a government system similar to a dictatorship. Meanwhile, the Guatemalan military government today denied this statement. In remarks to the press, General Mejia Victores, Guatemalan head of state, denied that a government official or adviser is involved in this 20-year government plan.

However, after studying the plan Cabrera said that he will propose that all parties prepare for the 1985 elections and that alliances only be allowed among the parties with the most votes during the first round of elections and that will then participate in the second round of the elections.

HONDURASLOPEZ REYES ON RESULTS OF TALKS WITH U.S.

PA140409 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 12 Dec 84

[Report by Jose Danilo Izaguirre on statements made by General Walter Lopez Reyes, commander in chief of the Honduran Armed Forces, on 11 December, place not given; passages within quotation marks are recorded -- monitored in progress]

[Text] [Izaguirre] ...That traveled to the United States for negotiations, what can he tell, what has General Lopez Reyes been told about the amendments to the military agreement. Let us hear him:

[Lopez Reyes] "It would be very premature to say at this point that the negotiations have been completed because the commission that initially traveled to Washington has brought back a document which we will discuss with the president shortly."

[Izaguirre] We asked Gen Lopez Reyes yesterday when would the Security Council discuss this document. His answer:

[Lopez Reyes] "(?Probably) the president will convoke the council once he feels this is suitable, but we feel tomorrow would be a favorable time for that."

[Izaguirre] Gen Lopez Reyes, has the arrival of the commission that will come from the United States to Honduras on 19 December been confirmed already?

[Lopez Reyes] "It has been confirmed that General (Hane) will lead this delegation scheduled to arrive on the 19th. At that time we will have more information to provide to the national public."

[Izaguirre] What is the situation with the Nicaraguans? How are relations with them?

[Lopez Reyes] "We would say that our relations with them have not varied. We maintain our situation of peace, tranquillity, and harmony, and friendly countries have always been regarded in this manner."

[Izaguirre] Is Nicaragua still hesitant about holding a dialogue or is the opposite true now?

[Lopez Reyes] "Our government (?maintains) an open policy. We will remain alert in order to resolve any conflict that might arise in the area or that might involve our country, so as to resolve it through dialogue."

[Izaguirre] How do the Honduran Armed Forces view the country's current sociopolitical situation?

[Lopez Reyes] "We have always had this concern. We have confidence in the people's good sense as well as that of those who are trying to orient the political situation so our country can always continue to enjoy the peace and development we currently need so much."

[Izaguirre] Do you think the economic situation can improve through these agreements with the United States?

[Lopez Reyes] "Concerning that, we would like to say that, above all, we must not depend on what we might receive from other countries. Instead, all of us Hondurans must work in order to pull Honduras through."

[Izaguirre] Commenting on the agreements between Honduras and the United States, the U.S. press has described our country's requests as unrealistic. What do you think about this, or what do you know about this?

[Lopez Reyes] "That is almost related to the first question. We cannot advance any views on this. If indeed it has been published in the United States that our demands are unrealistic, then at the meetings we will hold after the 19th, we will learn the truth about their responses."

[Izaguirre] If no agreement were reached between Honduras and the United States concerning the revision of the military aid agreement, will the U.S. troops withdraw from this country?

[Lopez Reyes] "I do not think that would be the case. If no solution is found to this situation, our relations with the United States will continue to be friendly, they will remain the relations between allies, because we are fighting international terrorism and communism and we definitely cannot say that the troops will be withdrawn. That would depend mostly on the United States itself."

[Izaguirre] Will Salvadoran soldiers continue to train here in Honduras?

[Lopez Reyes] We have not yet defined what the Regional Military Training and Security Center [CREM] is to be. However, this is a matter that must be discussed not only at the National Security Council, but at the National Congress as well."

[Izaguirre] But will the military maneuvers continue?

[Lopez Reyes] "Yes, they will continue. It is very advisable for us to continue exercising and training because that benefits our program of exercises and maneuvers."

OFFICIAL ON DESIRED U.S. MILITARY, ECONOMIC AID

PA141442 Tegucigalpa EL HERALDO in Spanish 13 Dec 84 p 3

[Text] Tegucigalpa -- The aid that the United States is willing to provide Honduras must be both military and economic in nature, and talks in this connection will begin next week in this capital, according to Presidential Office Secretary Ubodoro Arriaga.

Shortly after a long National Security Council session, the official indicated that there must be congruence between the military and economic aspects and that the commission that traveled to Washington was told at all times that there was complete willingness to provide such aid.

The military aid will involve more equipment, the completion of airports, the construction of new airports, military materiel, the training and development of officers, etc. He explained, however, that Honduras is not in a position to purchase sophisticated equipment because it is an underdeveloped country.

He also explained that Honduras' position, which will be discussed as of next week with a special mission that will arrive here on the 19th, contains two aspects: "The military aid and the economic aid, and Honduras' stand is that the two are inseparable, that there cannot be military aid without economic aid to achieve the country's economic development, and that these two aspects must be congruent."

He added that the idea is "that the military support must be congruent with the economic aid in order to permit economic growth capable of supporting bigger military aid than we presently have."

Arriaga denied international news agency reports about what was discussed with the various high-ranking officials of Ronald Reagan's administration, indicating that at all times "the response was affirmative," and that now we only need to look at the details and have the two countries' economists and officials study the negotiations and the technical aspects.

ARITA VALLE FORESEES NO SHIFT IN U.S. POLICIES

PA150637 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 14 Dec 84

[Text] The Honduran Foreign Secretariat is making contacts with the British Government in an attempt to prevent the execution of two Honduran sailors who have been sentenced to death on Grand Cayman Island. Acting Foreign Secretary Tomas Arita Valle has said that the replacement of U.S. Ambassador John Dimitri Negroponte with another diplomat will not cause any changes in Washington's policy toward the Honduran Government.

To comment on these topics, we have Acting Foreign Secretary Tomas Arita Valle.

[Begin recording] [Arita Valle] Yes, as soon as we heard about this from a person who called the Foreign Secretariat, we contacted the British Embassy here in Honduras, and Max Velasquez-Diaz, our representative in the United Kingdom. We have instructed him accordingly. We are awaiting the results of that action to see what information we receive from the British Government, and then we will act more directly in this case. We also want to know the real causes of this situation.

[Unidentified reporter] Does the Foreign Secretariat have further details on this case?

[Arita Valle] No, the only information we have comes from press reports, and as I was telling you, from the report submitted by Mr Tercero, who is a comptroller's office official, I believe.

[Reporter] On another matter, the foreign secretary commented on the replacement of U.S. Ambassador John Dimitri Negroponte.

[Arita Valle] Well, I believe that policies are formulated directly at the level of the U.S. Government in Washington. The U.S. representatives abroad must follow those policies and comply with the instructions they receive from the United States.

[Reporter] Do you think that the change of ambassadors could have some repercussions on U.S. policy toward Honduras?

[Arita Valle] I do not think so. Honduras has its positions, and the United States has its own. Our relations with this ambassador have been very cordial. They will remain the same with the next ambassador.

For that reason, I think the situation will be normal. Just as is the case when we have changes in personnel here, the policies remain unchanged. I do not think that the replacement of an official will have any significant consequences.

[Reporter] You have just heard a statement by Acting Foreign Secretary Tomas Arita Valle. [end recording]

SUAZO NOT TO ATTEND COSTA RICA SUMMIT MEETING

PA151803 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 14 Dec 84

[Text] Deputy Foreign Secretary Tomas Arita Valle yesterday reported that President Roberto Suazo Cordova will not attend a summit meeting of Central American presidents which, according to Costa Rican Government officials, would be held in Costa Rica in the coming January.

Asked about the matter, Arita Valle said: The president has not considered attending this meeting. He is very busy and will not be able to leave the country. In addition, he has not been asked to attend this meeting.

NICARAGUA

ORTEGA, FRANCE'S MAUROY PARTICIPATE IN TALK SHOW

PA152140 Managua Domestic Service in Spanish 0158 GMT 15 Dec 84

["Face the People" program with Nicaraguan Junta Coordinator Daniel Ortega Saavedra; "the ministers of the revolution"; Commander Leticia Herrera, director of the Sandinist Defense Committee; Captain (Emil Pozo) of the Patriotic Military Service; special guest former French Prime Minister Pierre Mauroy and an unidentified moderator from Managua's San Judas neighborhood -- live]

[Excerpts] [Mauroy -- in French with simultaneous translation into Spanish] Messrs Ministers, Mr Mayor of Managua, Mr Director, dear friends: I have been entrusted with the keys of the city [words indistinct] of confidence to offer me the keys of your city. I am very honored and wish to thank the mayor of Managua.

Managua's reconstruction after the earthquake is not yet complete. However, [words indistinct] determination of Nicaraguans and the residents of Managua, the city will be completely rebuilt and will be even more beautiful than before. [applause] I wish to thank the mayor of Managua and Mr Santos, minister of the Managua Reconstruction Board, whom I met abroad in Montreal, Quebec [words indistinct] learned to know and appreciate him. I want to offer him my warmest thanks as mayor of the city of Lille and president of the World Federation of United Cities.

I wish to greet the city of Managua and all Nicaraguan cities, particularly the town of Rivas and its 48,000 inhabitants. I hope that the mayor of Rivas is here today because I want to tell him that a group of socialists who visited Rivas in 1983, took a liking to its people, and were well received by its mayor have sent funds to begin the construction of a childrens' center. [applause] The \$7,000 in this box is to be used to begin constructing the center. I hope that when it is completed the residents of Lille can come to inaugurate it. Please accept this small gift.

I would like to add a few words. I thank you for your hospitality. I want to greet you as a Frenchman and express a fraternal greeting from the French people.

France also had a revolution and on behalf of the French Revolution, which promoted the ideals of freedom, equality, and fraternity, I greet you.

When I was prime minister I followed your struggle closely. You have chosen your system of government and leaders in an election. The entire world must respect your choice. [applause] You are entitled to live in Nicaragua with the type of government that you have chosen. This is the right to self-determination. Moreover, the French Government wants to help developing Third World nations. French President Francois Mitterand has been to Mexico and stated that the rich, industrialized peoples must be less selfish and help peoples like the Nicaraguans. We would like the industrial nations of the North and South to be in solidarity with you.

To conclude, I want to tell you that I am a French Socialist because I have never accepted the role that capitalism imposes on French workers and the world's workers. You did not accept the role imposed on your peasants and workers. You want to live in equality, in progress, and development. This is natural. I offer you my solidarity and my friendship. [applause]

[Ortega] Good evening companeros of this well-known neighborhood of Managua, San Judas. This evening Managua has given the keys of the city to a friend of the Nicaraguan people who was prime minister of France not long ago. He has always shown concern for Nicaragua. We were lucky to have the opportunity to meet with him in Paris and later in Buenos Aires. Mr Mauroy has always expressed concern, interest, and a special fondness toward the Nicaraguan people. That is why we have received him warmly and given him the keys to the city.

The companeros were afraid that companero Mauroy might lose the keys and that's why they have tied them around his neck. However, he will not lose the keys to Managua because he is an old friend of Nicaragua and, consequently, of Managua.

This "Face the People" program will be the last we hold in the cities this year. The last "Face the People" will be held in northern Nicaragua with the coffee bean pickers. We selected San Judas as the site for this encounter to clarify some rumors. It is said that in San Judas counterrevolutionary ideas are achieving ground [crowd boos], many people support the Nicaraguan Democratic Force [FDN] and [Somoza's National] Guard, and there are very few Sandinists [crowd boos and chants slogans] They also say that the people in San Judas don't want to participate in the defensive tasks. Is that true? [crowd whistles, rumbles] Who is participating in defense here? [crowd shouts: "Me"] Many people are not organized. [crowd rumbles] Our enemies are saying that the Nicaraguan people and the residents of Managua neighborhoods support them. That is what they believe and that is why they continue to be instruments of aggression against our people. However, we know that San Judas is a neighborhood of revolutionaries. Or are we mistaken? Is San Judas a neighborhood of revolutionaries? [crowd shouts: "Yes"] Is San Judas a Sandinist neighborhood? [crowd shouts: "Yes"] Is this a "Free Fatherland or Death" neighborhood? [crowd shouts: "Yes"] Sure it is. All of Nicaragua is like that. The Nicaraguan people are Sandinists, revolutionaries, and people who shout "free fatherland or death." That is why we say that our enemies shall not pass. We know and feel sure that our enemies shall not pass.

It is possible that we will not be able to address all of the problems that you would like to or to answer all of your questions tonight. However, we will make an effort to answer some questions before we accompany Mr Mauroy to another event. He is leaving tomorrow and we want to show him as much as we can during his visit to Nicaragua. We grant you the microphones. We have several ministers with us tonight who are ready to talk with you.

[Unidentified speaker] Good evening Commander Ortega. Please accept a warm greeting from the residents of zone 3-A of the San Judas neighborhood, Mr former French Prime Minister, please accept a warm greeting from our Sandinist defense committee.

I have three questions. The first one concerns the water problem. A companera and I were wondering if it is possible for the French people to donate a water pump through the auspices of the prime minister of France. That way we can resolve a need we have in the San Mortera neighborhood and this section of San Judas. We are in dire need of a water pump. My second question is: What will the revolutionary government's position be after the Manzanillo talks? We would like you to explain this to us. My third question is on the military service. We know that some companeros here have registered for service and received their draft notice, but have not reported. In addition, some have reported but remain here. This prevents those at the fronts from coming back to see their families. The companeros cannot stay at the battle fronts permanently. They must come to see their families.

[Mauroy -- in French with simultaneous translation into Spanish] I am not part of the Nicaraguan Government. However, I congratulate you and the Nicaraguan leaders on this dialogue. [words indistinct] You asked me a question and I will answer it. I must point out that I am no longer prime minister of France. I was prime minister a little over 3 years, but not any longer. However, I am willing to speak to the French Government and [words indistinct] the president of the Republic. I will tell him the truth about the situation in this area of the Third World and about the water problems and [words indistinct] to help you obtain the materials that will allow you to have water in all your neighborhoods. It is good that you report these problems.

As for France, we are, along with Sweden, one of the countries that grants the most credit to Third World and developing nations. I have said that if all of the industrialized nations made equal efforts it would be much easier for countries like Nicaragua, which are entitled to an answer from the rich nations. We have done a lot for the African countries in the past. However, I believe that we can do the same in Central America and Latin America in general. That is why I am here. I have heard your government explain problems to me. [words indistinct] I also believe that your leaders must discuss the problem of war with you. [Words indistinct] the problem of the counter-revolutionaries that affects your lives. If you did not have the problem of war and the counterrevolution, you would have water. The problem would be solved easily. However, most of the time in which I have interceded to help Nicaragua I have done so to guarantee your defense. Those who create problems for you and continue to create problems for you [words indistinct] defend yourselves. I hope that in the coming days those responsible for Nicaragua discuss the water problem. If they do, the problem will be solved. Maybe the French Government will provide the means to furnish you with machinery to obtain water for Managua's neighborhoods. I am confident that this request will be well received and that your problem will be resolved. [applause]

[Moderator] The next question will be answered by Captain (Emil Pozo), who is responsible for the Patriotic Military Service [SMP] in Managua.

[Pozo] The companera asked a question regarding the SMP. I would like to tell you that this question has been asked during several "Face the People" meetings. The question arises from certain demands made by family members who see other youths who are not serving in the SMP despite the fact that some of them have already been drafted. This has made us, as an organization responsible for the fulfillment of our revolutionary laws, begin to look into this matter and find these cases. We are doing this with your help.

However, I would like to say that these are isolated cases because the majority of our youth, of our people, have joined in the combat and are defending our revolution, and other companeros are picking coffee or fulfilling other defense tasks. However, I want to make it clear that we are working with the Sandinist police, among other organizations, to ensure that a companero who has been called to serve in the military does so for the established time. In this manner we will be able to overcome the problem regarding those companeros who remain behind despite the fact that they have been called. Thank you companera.

[Ortega] Well companeros, there are still many other questions to be asked but the problem is that we must leave. If we let you continue asking questions, other companeros will also want to ask questions. How many people here want to ask questions? Many. We would be here until dawn. If we want to be fair, we would have to let all of you ask your questions. Then, we would be here until dawn. However, right now we have a pretty tight schedule; therefore, let us do the following. Since the dialogue has been short, very short, next week we will find a way for a government delegation to come here and meet with those companeros who are responsible for the CDS and the community to express the concern of all of the companeros and try to solve the problems.

Several important problems have been expressed here; very important problems for the community. You expressed your concern regarding the land titles that have not been distributed. Companero Miguel Ernesto Vigil already explained why. The Housing Ministry [Minvah] has committed itself to seeing that the land titles are distributed in mid-1985. Therefore, in mid-1985 you will have every right to demand those titles. Companero Miguel Ernesto Vigil has already committed himself to this and I am sure he will fulfill his promise.

The other problem that was expressed is the distribution of electricity. There was some criticism regarding this; there was criticism because something was promised and not fulfilled. This is not right. However companero minister has already guaranteed that in not more than 2 months electricity will be here. This was promised in La Esperanza.

Other problems were also brought up, such as the water problem. Water is a serious problem not only for Nicaragua but for all of the countries in the world. It is a natural resource that is becoming more and more scarce. For example, there are cities like Mexico City that need water to supply millions of people and must bring from thousands of kilometers away. Even Europe, despite the fact that they are developed, has serious water problems. I think that Mr Mauroy could talk about the water problems in Europe at length. We are facing these problems. Managua has too many residents. We cannot allow cities to grow that large. We must give more attention to the rural areas because the productive basis of the country is found there. Concentrating the people in Managua is not good for the country. However, calls have been made for water to be conserved; if water is not conserved, we will have to conserve it by force because it is the only way to be fair to everyone. If water is not conserved after the call made by the Nicaraguan Water and Sewage Institute [INAA], then INAA will have to cut the supply for several hours in areas where there is a constant supply of water so that other areas that are not receiving water can do so more frequently. The coffee picking situation was also mentioned and we can say that the companeros who have been transferred to the coffee areas are working hard and with enthusiasm. However, we still need more people to pick coffee. We must take into consideration the fact that December is a month when the bean is the ripest and there will be special calls made in some areas to mobilize more workers from Nicaraguan cities to help pick the coffee crop. This is struggle we are waging against the aggression that is intent on seeing how it can hinder picking the coffee.

We have also been asked about the Manzanillo situation. We all know that the U.S. and Nicaraguan delegations agreed not to reveal the details regarding what is discussed in Manzanillo. What I can say, and the Nicaraguan people have every right to be informed, is that a ninth meeting has already been held in Manzanillo and that Nicaragua has maintained a firm position regarding the importance and need for the United States and Nicaragua to find a negotiated political solution and reach a firm understanding and agreement that will offer a framework of security for the United States and for Nicaragua. This is the position Nicaragua has always defended.

On the other hand, we have the Contadora peace document that has always supported Nicaragua and continues to support Nicaragua. In Manzanillo we will continue to put forth every effort to achieve an agreement with the United States. Achieving peace is not an easy task because we have a powerful enemy that has great resources with which to harm the Nicaraguan people. However, the Nicaraguan people also have an enormous resource which the enemy does not have, and this is the morale to defend the rights, justice, and freedom already won.

In the measure that we discuss and hold a dialogue with the United States, they try to advance in the military area here in order to improve their negotiating position. We must also advance in the military area to improve our negotiating position. We cannot be deceived. This is an open game, an open struggle. They are seeking a way to improve the position to negotiate or invade, and to improve their position through the actions of the mercenary forces. We are firm in fighting the mercenary forces that are the spearhead of an invasion and we are willing to fight the mercenary forces to improve our negotiating positions and to make the United States realize that they will not get Nicaragua to surrender by force, that they will not defeat Nicaragua by force, that they will not humiliate or defeat Nicaragua by force, and that the only solution is negotiation, the only path to achieving peace is a solution through dialogue, a peaceful and reasonable solution. Therefore, in Manzanillo we will remain firm in our defense of the right of Nicaraguans to peace.

ORTEGA SAYS U.S. LYING ABOUT HONDURAN BASES

PA151740 Managua Radio Sandino Network in Spanish 1200 GMT 15 Dec 84

[Text] Commander of the Revolution Daniel Ortega, coordinator of the government junta and president-elect of Nicaragua, has commented on U.S. Government leaders statements that they have no military bases in Honduras by saying that the fact that the Honduran Government has announced that the U.S. Government will have a permanent military base in that country proves that what the North Americans have been saying are lies.

[Begin recording] [Ortega] This proves that what the North Americans have been saying about not having bases in Honduras is a lie. This shows that the United States has had, and still has, military bases in Honduras and it continues increasing its military presence in that country.

[Reporter] What about the Contadora Document?

[Ortega] We have always backed and we still back the Contadora proposals.

CIA MANUAL SUGGESTS ATTACKS ON PRIEST-MINISTERS

PA140417 Managua Radio Sandino Network in Spanish 1200 GMT 13 Dec 84

[Text] Managua, (ANN) -- The CIA psychological operations manual for the counter-revolutionaries recommends that attacks on the four priests holding ministerial posts in the Sandinist government be used as the focus of a propaganda campaign.

The recommendation that the priests be attacked acquires greater importance in the wake of the 10 December expulsion of Father Ernesto Cardenal from the Jesuits due to pressure from Pope John Paul II.

Chapter four of the CIA manual recommends the incitement of indignation over the lack of religious freedom among the people and the persecution of priests. It also recommends similar treatment regarding the participation of priests such as D'Escoto and Cardenal in the Sandinist government, which is contrary to explicit directives of your holiness, the pope.

According to observers, collaboration between the Reagan administration and the Vatican regarding Nicaragua are reflected again in the CIA manual's recommendations.

FSIN, MISURASATA DISCUSS DIALOGUE, NEXT MEETING

PA141340 Bogota EL TIEMPO in Spanish 11 Dec 84 p 2 A

[Ext] The organization that represents the Indian communities in Nicaragua, Miskito, Sumu, Rama Sandinist Unity [Misurasata] and the Sandinist government yesterday arrived at initial agreements in order to definitely begin a dialogue that would end the Indian insurrection. Brooklyn Rivera, Misurasata representative, told EL TIEMPO that the dialogue with the government commission headed by Commander Luis Carrion was positive, and that conditions to seek a political solution of the conflict were explored.

The Indian communities of the Nicaraguan Atlantic coast have come to form part of the Democratic Revolutionary Alliance [ARDE] headed by Eden Pastora, and they oppose the government because "it does not respect the culture, traditions, and needs of the Indian communities." Rivera also said that next 19 January the second round of negotiations will take place in Bogota.

He clarified that the Indians are not negotiating on behalf of ARDE, and that if an agreement is reached with the government they will withdraw from the armed struggle. Rivera said that he does not believe that their withdrawal from ARDE would create a conflict with Eden Pastora. He added that the Indians are requesting the reunification of the families divided by the war, the repatriation of the refugees in other countries, and the reconstruction of crops and houses that have been destroyed.

Regarding the Indian's relations with other political movements, Rivera said "our effort is more humanitarian than political. We are struggling for our well-being and not against or in favor of any particular force."

Rivera expressed gratitude over the participation of the governments of Canada, Colombia, France, the Netherlands, Mexico, Sweden, and the World Council of Indigenous Peoples as witnesses to the dialogue.

Meanwhile, Commander Luis Carrion, who participated for the government, was brief in his statements, but agreed that an agreement has been made on the need for a dialogue in order to find a political solution to the conflict, and said that the meetings to be held on 19 and 20 January will result in agreements in this regard. The Nicaraguan Government issued the following joint communique regarding the meeting:

The commissions of the Government of National Reconstruction of the Republic of Nicaragua and of Misurasata, which held talks at the Narino Palace on 8 and 9 December, in a search for formulas that will contribute to the fair and dignified solution of the Indian communities' problems in Nicaragua, inform the Nicaraguan people and the international community:

1. That in the course of the talks, both sides, in an atmosphere of sincere respect explored with maturity and serenity the elements that could serve as a basis for the establishment of agreements that would help promote peace in Nicaragua, and particularly on the Atlantic coast.
2. Both sides said that during the talks points of agreement were found, which represent a first basis for the future talks that are to be held on 19 and 20 January 1985.
3. Both sides are thankful to the representatives of the Governments of Canada, Colombia, France, the Netherlands, Mexico, Sweden, and the World Council of Indigenous Peoples for their support of the talks.
4. Likewise, they express special gratitude to Colombian President Belisario Betancur for the warm hospitality that both sides received during the course of the talks.

Bogota on 9 December 1984.

For the Nicaraguan Government, Commander Luis Carrion.

For Misurasata, Brooklyn Rivera.

FORMER CDN HEAD ON NEW LEADERSHIP, TRAVEL BAN

PA152358 San Jose Radio Impacto in Spanish 1830 GMT 14 Dec 84

[Text] Luis Rivas Leiva, who was president of the Ramiro Sacasa Guerrero Nicaraguan Coordinating Board [CDN] until yesterday, arrived in Costa Rica this morning after Sandinists lifted restrictions thereby permitting opposition members to leave the country. We asked him whether he experienced any trouble leaving Nicaragua and he responded:

[Begin recording] [Rivas] None at all. Contrary to the immigration authorities' former stance, this morning when I arrived at the Las Mercedes Airport, now called the Augusto Cesar Sandino Airport, they treated me the same as they would any other passenger. I had no problems. I think the other dissidents who are still in Nicaragua and who are in the process of obtaining their passports and visas will leave the country soon. We don't expect them to have any trouble either.

[Reporter] Do you plan to stay in Costa Rica or are you planning to return to Managua?

[Rivas] I have only come to Costa Rica to spend the Christmas and New Year holidays with my family whom I have not seen for a long time. Then, I will return to Nicaragua. My post as fighter for democracy, justice, and liberty is in Managua with my party, of which I ceased to be president yesterday. However, I am still the leader of the Social Democratic Party [PSD], which everyone in Nicaragua knows is a staunch defender of principles leading to Nicaragua's democratization.

[Reporter] It has been reported that the CDN met yesterday. Can you summarize the most important accords reached during the meeting for us?

[Rivas] I feel that the decisions reached yesterday are extremely important because they were based on a consensus. We did not need to hold elections because all of the delegates from all over the country agreed on the persons proposed for the CDN positions.

For the post of president, we selected Eduardo Rivas Gasteazoro, a prominent member and founder of the Social Christian Party [PSC] and an upright man who has very clear ideas on how Nicaraguan politics must be carried out. Despite the fact that he is from the PSC, we of the PSD supported his candidacy. Everyone agreed on his appointment.

We are pleased that the person selected for the post of first vice president belongs to the PSC. He is political secretary of the Confederation for Trade Union Unity, CUS, a workers federation and [words indistinct].

Dr Andres Zuniga was selected as second vice president. He is president of the Confederation of Nicaraguan Professional Associations. For the first time, the association will have one of its members participate in political activities. Dr Mejia Ubilla, a member of the Constitutionalist Liberal Party, was selected for the post of third vice president of the CDN. He is a very capable lawyer.

I feel that through this leadership the CDN will be very active. Within the framework of the struggle for democracy in Nicaragua and considering the new program agreed upon, the CDN will play a very important role. Its decisions will surely be accepted by the Nicaraguan people because we now have a plan of action. In addition, the people in responsible positions know what they must do and the direction in which the CDN must go.

CDN Elections Noted

PA141711 Managua Domestic Service in Spanish 0300 GMT 14 Dec 84

[Text] Missy Miriam Arguello's hopes of becoming president of the Ramiro Sacasa Guerrero Democratic Coordinating Board [CDN] were thwarted tonight, with the election of Eduardo Rivas Gasteazoro to that post. Missy Miriam had waged an intensive campaign behind the scenes to obtain the support of the various members of that political organization, but her efforts were unsuccessful because of the histrionic vehemence that she has shown on previous occasions.

However, some members of Missy Miriam's party had hoped that she would be elected, and had expected that the post would go either to her or to Dr Luis Rivas Leiva, former CDN president. Mario Rappaccioli's conservatives considered Rivas Leiva and Miss Arguello to be ideal candidates, because they are exceedingly temperamental, a quality that is necessary for appearances before the foreign press, especially the U.S. press.

However, the election of Rivas Gasteazoro, a calm man, seems to herald changes in the bloc of CDN parties which were formerly dominated by the Social Democrats. This is seen in the choice of the following three vice presidents: Jose Espinoza of the Federation for Trade Union Unity, Andres Zuniga of the commercial Confederation of Nicaraguan Professional Associations and Rodolfo Mejia Ubilla, a Constitutionalist Liberal Party leader who served before the revolution as president of the IAN [not further identified].

It should also be noted that the conservatives who support Rappaccioli and Missy Miriam, as well as the Social Democrats led by Luis Rivas Leiva and Joaquin Chamorro Barrios, were left in a very disadvantageous position with respect to the other parties in the rightist bloc.

PPSC LEADER VIEWS JESUIT OUSTER OF CARDENAL

PA140330 Managua Radio Sandino in Spanish 1830 GMT 13 Dec 84

[Statement by Mauricio Diaz Davila, secretary general of the Popular Social Christian Party [PPSC] -- recorded]

[Text] I have always admired and respected the priests that have come in direct contact with the people. Many priests have done and are doing what Father Cardenal is doing. Camilo Torres in Colombia and Gaspar Garcia in Nicaragua. These priests have considered that their first duty is to help the poor, to be in direct contact with the people who have very little and with those who are victims of repression.

In my opinion, the decision of the Jesuits has to be respected in terms of the order's bylaws and standards, but I feel that it should have taken into consideration the work that Father Fernando Cardenal has done. Father Cardenal was the basic organizer of the literacy crusade. He has definitely done a great job on behalf of the Nicaraguan people.

My party, the PPSC, feels that the decision regarding Father Cardenal was very unwise. Perhaps there are other motives, other than the strict application of the order's regulations, which have some bearing with the Nicaraguan political situation. We feel that a priest should be allowed to work for the government if he can contribute to improving the situation for the majority of the people because in this way he is also working for his church.

Further Statement

PA141730 Managua Radio Sandino Network in Spanish 1200 GMT 14 Dec 84

[Text] Mauricio Diaz Davila, leader of the PPSC, told this station that the measure adopted by the Jesuit order against Father Fernando Cardenal is a disturbing element at this moment, besides being most unwise. The following is a recorded statement by Diaz Davila on the matter:

[Begin Diaz recording] The PPSC considers the measure quite unwise, as it responds to objectives other than a just interpretation of the Nicaraguan problems, which require a profound understanding and analysis of the real situation in the country. It also implies a real knowledge of the motivation that leads a priest to join a specific government in order to better serve his people, which also benefits the religion he represents.

The party feels that the Jesuit decision will not affect the work performed by Father Cardenal in the Sandinist administration. However, we believe that instead it will promote contradictory interpretations and create confusion among the Nicaraguan people, who definitely will not understand the reason for the measure, which appears to be more a punishment than an administrative measure within a congregation. However, we realize that Father Cardenal is a respected and influential person in political, social, and cultural society, nationally and abroad, and that he will continue fulfilling his responsible work in the nation's process of transformation. [end recording]

REPORTAGE ON PLANNING MINISTER VISIT TO BULGARIA

For coverage of the visit to Bulgaria by Planning Minister Henry Ruiz, including his meeting with Bulgarian Premier Grisha Filipov and his signing of a Bulgarian-Nicaraguan trade protocol for 1985, see the Bulgaria section of the 12 December Eastern Europe DAILY REPORT and subsequent issues.

REPORTAGE ON VISIT BY ETHIOPIA'S MENGISTU, DELEGATION

Arrival Ceremony

EA141356 Addis Ababa Domestic Service in Amharic 0900 GMT 14 Dec 84

[Text] Comrades Mengistu Haile Mariam and Fidel Castro Ruz last night held their first round of talks on bilateral and current international matters.

Comrade Mengistu Haile Mariam, Workers Party of Ethiopia Central Committee secretary general, Provisional Military Administrative Council chairman, and commander in chief of the Revolutionary Armed Forces, is in Havana, the Cuban capital, at the invitation of Comrade Fidel Castro Ruz.

On arrival in Havana, our comrade revolutionary leader was welcomed by Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Cuban Communist Party, president of the Councils of State and Commander in Chief of the Cuban Armed Forces; Comrade Rafael Carlos Rodriguez, vice president and Politburo member of the party; Comrade Isidoro Malmierca, Politburo member of the Cuban Communist Party and foreign minister, and other party Politburo members and senior government officials.

Here is a telephone report we received yesterday on our comrade revolutionary leader's visit to Cuba:

Comrade Mengistu Haile Mariam, Workers Party of Ethiopia Central Committee secretary general, Provisional Military Administrative Council chairman and Commander in Chief of the Revolutionary Armed Forces, has started his working visit to Cuba at the invitation of the Cuban leader, Comrade Fidel Castro Ruz. The comrade chairman left Addis Ababa the day before yesterday and arrived in Havana, capital of Cuba, after a 21-hour flight yesterday at midnight, Addis Ababa time, and at 1730, Havana time.

The comrade chairman was accorded a colorful welcome at the airport which was decked with the flags of the two countries and a huge portrait of our comrade chairman displayed on the balcony of the main terminal attracted attention from afar. On disembarking the comrade chairman was welcomed by Comrade Fidel Castro with great friendliness. Present during the welcoming ceremony were senior Cuban officials: Vice President Carlos Rafael Rodriguez; Foreign Minister Isidoro Malmierca; other Cuban Communist Party Politburo members, Jesus Montane, Juan Almeida Bosque, Ramiro Valdes, Roberto Veiga, Jose Ramiraz Cruz; Central Committee members of the Communist Party; representatives of government and mass organizations; military commanders; and the diplomatic corps members in Havana.

After the two leaders had embraced each other and exchanged warm greetings, the comrade chairman introduced to Comrade Fidel Castro Comrades Adis Tedla, Workers Party of Ethiopia Central Committee Politburo member; Goshu Wolde, Workers Party of Ethiopia Central Committee member and foreign minister; Mengistu Gemechu, Workers Party of Ethiopia Central Committee member, and the other members of his delegation.

During the ceremony, two Ethiopian children presented the comrade chairman with a bouquet. Many Ethiopian students in Cuba and Cubans who were waiting at the airport loudly chanted: Welcome Comrade Mengistu.

After the two leaders had introduced their entourages, Mengistu and Castro posed for pictures. Then the honor guard at the airport played the anthems of the two countries and the leaders inspected the honor guard. Comrade Mengistu was then introduced to the diplomatic corps members. Great feelings of friendship and love were expressed to Comrade Mengistu when he went toward the Ethiopian and Cubans awaiting him at the airport.

The Ethiopians in particular expressed in songs their happiness at the formation of our party, the Workers Party of Ethiopia, for which great sacrifices have been made. This is the first foreign visit of the comrade chairman after the formation of the party. After the welcoming ceremony ended, the leaders left for the place where they will stay and the two leaders held a short discussion there. The main part of the comrade secretary general's working visit will start today. The two leaders are expected to hold talks on the close and strong relations between the two countries and the current world situation.

Castro, Mengistu Open Talks

FL150040 Havana Domestic Service in Spanish 0000 GMT 15 Dec 84

[Text] Talks between Cuban and Ethiopian delegations began today in Havana presided over by Mengistu Haile Mariam, secretary general of the Workers Party, chairman of the Provisional Military Administrative Council, and commander in chief of the Revolutionary Armed Forces, and by Commander in Chief Fidel Castro, first secretary of the Cuban Communist Party Central Committee and president of the Councils of State and Ministers.

Other Ethiopian and Cuban leaders were also present at the talks which focused on the current situation in the two countries and the world and on the development of cooperation relations between the two parties and governments.

Ramirez, D'Escoto at Reception

FL151146 Havana Domestic Service in Spanish 1100 GMT 15 Dec 84

[Text] Commander in Chief Fidel Castro, first party secretary and president of the Councils of State and Ministers, held a reception last night in honor of Mengistu Haile Mariam, secretary general of the Workers Party of Ethiopia and president of that country.

Army General Raul Castro, second party secretary and first vice president of the Councils of State and Ministers attended the reception. Also present were Commanders of the Revolution Juan Almeida, Ramiro Valdes, and Guillermo Garcia, all Politburo members. Other full and alternate Politburo members, Central Committee members, and government leaders also attended.

Nicaraguan Vice President-elect Sergio Ramirez Mercado and Foreign Minister Miguel D'Escoto attended the event.

Talks between delegations from Cuba and Ethiopia began on Friday at the Central Committee offices. The talks were headed by Castro and Mengistu and were held in an atmosphere of friendship in accord with the longstanding and fraternal relations between the two peoples, parties, and governments. The two sides discussed various aspects of the situation in the two countries among other matters. The Cuban side underscored the efforts which the leadership and people of Ethiopia have realized in order to overcome the problems resulting from the drought in Africa.

Mengistu Departs

PA170017 Havana International Service in Spanish 0000 GMT 16 Dec 84

[Text] Mengistu Haile Mariam, secretary general of the Central Committee of the Workers Party of Ethiopia and head of state of this African country, left this afternoon for home after a 3-day friendly working visit to Cuba.

The Ethiopian delegation was accompanied to the Jose Marti International Airport in Havana by Cuban leader Fidel Castro, important members of the Communist Party of Cuba [PCC], and government officials.

Castro and Mengistu held official talks and discussed improving bilateral relations, as well as international topics. Last night, Castro hosted an official reception of the high-level Ethiopian commission. The reception was attended by representatives of the PCC and Cuban Government, as well as Nicaraguan Vice President-elect Sergio Ramirez and Foreign Minister Miguel D'Escoto.

FOREIGN DEBT WITH INTERNATIONAL BANKS RESCHEDULED

FL151404 Havana Domestic Service in Spanish 1100 GMT 15 Dec 84

[Text] The National Bank of Cuba [BNC] and international banks have signed in Paris an important agreement for rescheduling Cuba's 1984 debt. The accord, negotiations which began last Monday in Paris between a delegation headed by Raul Amado Blanco, BNC vice president, and a committee representing nine financial entities, headed by the French bank Credit Lyonnais.

The terms of the accord, signed by the two sides, establish the rescheduling of the full amount of Cuba's medium-term debt with 110 commercial banks for an approximate total of \$1 billion over a 9-year period, with a 5-year grace period.

In another report, 70 banks which had credit lines not directly related to trade with the BNC have agreed to maintain the lines of credit until 30 September, 1985. The rescheduling accord states that all signatory international banks have the guarantee of the Republic of Cuba.

COMMENTARY NOTES 'SOVIET GENEROSITY' IN RELATIONS

PA141319 Havana International Service in Spanish 0000 GMT 12 Dec 84

[Station commentary]

[Text] Last October's CEMA summit held in Havana ensured the strengthening of the bonds among the member nations in the upcoming years. In the case of Cuba and other CEMA member-nations, these relations will become more solid in all aspects, according to the agreements and decisions reached at that meeting.

Cuba has relations with all socialist nations, but its relations with the USSR are very special. Lenin's homeland came to our aid very early and purchased all the sugar that the United States refused to buy from us when it eliminated our quota from its market. This measure was later extended by Washington through the economic blockade which has been maintained against Cuba for more than two decades.

It must be noted that the USSR provided Cuba with the oil needed to prevent the paralyzation of our national economy. In addition, it granted us credits that allowed us to continue developing our industrialization program. In 1972, for example, the USSR granted Cuba interest free credits of \$1.7 billion. These credits are payable in 25 years, beginning in 1986.

At the same time, both countries signed a document that established the guidelines for the development of important economic branches such as sugar, nickel, steel, and citrus products. In addition, the USSR provided us with the necessary military equipment to defend ourselves from any enemy aggression.

It is necessary to point out that the Soviet Government, in view of the huge fluctuations in the world sugar and oil markets, has purchased our sugar at prices higher than those on the international market, and has supplied us with crude oil at a price lower than that on the oil market.

The facts have shown that in the Soviet-Cuban relations, Soviet generosity has been evident in its cooperation policy with Cuba. That is why our people have an enormous debt of gratitude to that socialist nation which we can never forget. That is why President Fidel Castro has declared that should relations with the United States ever be renewed, they can never equal those maintained with the USSR. This was recently reiterated at a press conference here in Havana by Cuban Vice President Carlos Rafael Rodriguez, when he asked: Why, in order to establish good relations with the United States, must we stop having relations with the USSR? Would the United States, in order to have relations with Cuba, have to break off its relations with the UK? That would be absurd. It is just as absurd for the United States to establish such a condition. He added that we can be very good neighbors with the United States and very good friends of the USSR.

Referring to the same issue, the Cuban leader said that there is really no reason why our friendship with the USSR should be an impediment to good relations with other nations, not only those of Latin America, but also the United States. Rodriguez added that Cuba has very good relations with capitalist nations such as France, Spain, Argentina, and Japan, and maintains ties with the UK and the FRG. He concluded that Cuba cannot permit a forced break in relations with the USSR, with which we have deep political, ideological, military, and friendly ties.

ECUADOR AGREES TO HOST 10TH PAN-AMERICAN GAMES

PA170346 Havana International Service in Spanish 1600 GMT 16 Dec 84

[Text] Ecuadoran Olympic Committee President Sabino Hernandez announced this morning that President Leon Febres Cordero has agreed to hold the 1987 continental games in Ecuador. Hernandez expressed satisfaction over the letter that the top Cuban leader [Fidel Castro] sent to Juan Antonio Samaranch, president of the International Olympic Committee, in which Castro demanded that poor, small, but dignified sports-loving countries such as Cuba and Ecuador have the right to host the Pan-American games within their territory.

The president of the Ecuadoran Olympic Committee said that he has already contacted Mario Vasquez, president of PASO, the Pan-American Sports Organization, to announce the presidential approval, and that Vasquez was very pleased and congratulated the proper Ecuadoran authorities.

Hernandez said that presidential approval is contingent upon economic support for the financial aid request made by the Olympic Committee over which he presides. Nevertheless, he said, I think the host of the 10th Pan-American Games will be Ecuador without question.

COMMONWEALTH OFFICIALS URGE AFRICAN AID

FL151936 Bridgetown CANA in English 0001 15 Dec 84

[Text] Bridgetown, Barbados, Dec 14, CANA -- More than 100 senior Commonwealth officials wound up a three-day meeting here today with an agreement to recommend to their governments the creation of an inter-governmental capital action group to formulate a programme to assist Sub-Saharan African countries in resolving the critical economic problems now confronting them, an official statement said. The statement said the officials, who concluded their agenda after an intensive five-hour session, would also recommend that the programme should concentrate on agriculture and rural development as well as the problems of perennial drought and desertification.

The group, which will consist of representatives of both those countries affected and others, will assist in the structural adjustment policies required to accelerate long-term development as well as in securing commitment by donor countries and international agencies to the provision of the resources necessary to support it, the statement said. It said the officials also reviewed international, political, and economic issues which were brought forward from the heads of government meeting in New Delhi last year.

Among the topics which received attention were the special needs of small states and the urgent need for international economic action to resolve current economic problems. Other matters discussed were Commonwealth participation in international youth year and the end of decade conference on women, scheduled for Nairobi next July as well as the international year of shelter for the homeless in 1987. The meeting, chaired by Barbados Cabinet Secretary Frank Blackman, also looked at consular arrangements in Commonwealth countries and cooperation on environmental problems. At the request of the British Government, the officials spent time on the question of international terrorism and the abuse of diplomatic immunity. The statement said it was agreed that discussions would continue among governments as a matter requiring careful consideration and in view of its urgency and importance to the international community.

The style and format of the next meeting of the heads of government were also discussed and the statement said Secretary General Shridath Ramphal would report on this to the heads before their next meeting scheduled for the Bahamas late next year. The statement said there was also an exchange of views on a suitable date for the summit, and Ramphal is also expected to consult further with the 49 Commonwealth governments in the light of the views expressed. The next meeting of senior officials will be held in Bangladesh in 1986.

BARBADOSADVOCATE EDITORIAL NOTES JAMAICA'S CRIME WAVE

FL151900 Bridgetown CANA in English 1846 GMT 15 Dec 84

[Text] Bridgetown, Barbados, Dec 15, CANA -- The daily BARBADOS ADVOCATE newspaper today said it was difficult to understand why the Jamaica Government, armed with details of a recent upsurge in shootings, has not seen taking steps to bring the guilty to justice. The paper said in an editorial that the Jamaica Government had accused members of the main opposition People's National Party (PNP) and the Marxist Workers Party of Jamaica (WPJ) of organising crime. It noted that government had linked the two parties to alleged Cuban support for criminal activities, which have resulted in the death of 20 policemen this year.

The paper said: Outbreaks of violence in Jamaica are not unusual. What is new, at this time, is that the crime wave has been given an overseas link, and so must be seen from what Mr Winston Spaulding (the national security minister) is claiming as not merely the isolated actions of a criminal element, but also as action aimed at creating problems in the country for the government. It added: It is difficult to understand why a government armed with such details and facts is not seen taking steps to bring to justice those who it has named as being responsible.

GRENADA

NEW NNP SEVEN-MEMBER CABINET ANNOUNCED

FL142228 Bridgetown CANA in English 2209 GMT 14 Dec 84

[Text] St George's, Grenada, Dec 14, CANA -- The following is the seven-man New National Party cabinet sworn in today following general elections 11 days ago.

Prime Minister; Minister of Finance, Home Affairs, Security, Information; Caribbean Community (Caricom) [word indistinct] Industrial Development and Planning, Herbert Blaize;

Ministers:

External and Legal Affairs, Ben Jones;
Agriculture, Forestry, Lands, Fisheries, and Tourism, George Brizan;
Labour, Cooperatives, Social Security, and Local Government, Dr Francis Alexis;
Education, Culture, Sports and Youth Affairs, George Macguire;
Health, Housing, Women's Affairs, and Community Development, Daniel Williams;
Works, Communications, Public Utilities, Civil Aviation, and Energy, Dr Keith Mitchell.

IMF PREDICTS NEGLIGIBLE ECONOMIC GROWTH IN 1984

FL141640 Bridgetown CANA in English 2218 GMT 13 Dec 84

[Text] St George's, Grenada, Dec 13, CANA -- The International Monetary Fund (IMF) says Grenada's economy is expected to grow one per cent this year. The fund's annual report on the island, which was dated October 25, said a substantial recovery in output was projected for 1985, mainly on the basis of a strong expansion expected in some agricultural products, as well as tourism and export-oriented manufacturing. The report said uncertainty in connection with the December 3 general elections won by the centrist New National Party (NNP) had an adverse effect on private investment decisions in 1984.

According to the document, inflation continued to moderate in 1984 and the rate of price increase was not expected to exceed five per cent. It noted that information on wage trends was limited but said a sampling of negotiated settlements in the private sector suggested that wage increases slowed down from a 15 per cent annual average in 1981-82 to almost 10 per cent in 1983 and eight per cent this year. Revenue collection weakened further in 1984, as the stamp duty on imports was reduced from 20 per cent to 15 per cent in an attempt to stimulate private sector activity, the report said. The report said that in the early part of this year the reduction in revenues was matched by a definite cutback in expenditure. However, it said a substantial increase in foreign grants later in the year permitted a resumption in public investment projects, particularly the international airport project and the repayment of overdue obligations.

Foreign indebtedness has risen rapidly in the past few years from the equivalent of 16.5 per cent of GDP (gross domestic product) at the end of 1980 to almost 42 per cent of GDP at the end of 1983, it added.

On public finances, the report said that external grants for current budgetary operations and reduction of indebtedness are expected to amount to 9.5 per cent of GDP this year as compared with the figure of one per cent last year. The report said: To eliminate fiscal arrears carried over from 1983 -- as had been the intention of the authorities -- would require an overall surplus of three per cent of GDP. The authorities were confident that the required resources would be forthcoming from a combination of strict expenditure control and more buoyant revenue in the last quarter of 1984 than estimated by the (IMF) staff, it added.

The report stressed that the interim government has been determined to reduce employment in the public sector and concerned about the potential social consequences of retrenchment because recovery in private sector activity was much slower than anticipated and unemployment was already at an unacceptably high level. In this connection, the IMF said the interim government had indicated that if the resources were not available to liquidate all overdue obligations by the end of the year it would seek a delay in rescheduling some of the island's foreign obligations.

Saying that there was a need for increased public sector savings, the report said the ambitious investment programmes undertaken by the previous left-wing government of slain Prime Minister Maurice Bishop resulted in large financial imbalances. The events of October 1983 severely disrupted economic activity during the last quarter of the year, and it is estimated that output declined by 1.5 per cent in 1983 as a whole, notwithstanding a substantial increase in agricultural production, it said. Bishop, three cabinet colleagues, and several others were killed on October 19, 1983 in a bloody Army coup before U.S. and Caribbean troops stormed the island in an attempt to restore order.

The report said that in the absence of both external current budgetary support and non-recurrent net income from the divestiture of state enterprises an overall deficit of more than 4.5 per cent of GDP could emerge next year. As of now, the funds report said, there were no assurances for finding the necessary financing for this.

HAITI

IDB, APPROVES TECHNICAL COOPERATION GRANT

FL120320 Belize City Domestic Service in English 0100 GMT 12 Dec 84

[Text] The Inter-American Development Bank [IDB] has approved a technical-cooperation grant to assist Haiti in its search for natural gas, oil, and mineral reserves. The \$1.6-million grant will allow Haiti's Ministry of Mines and Energy Resources to conduct further seismic studies on the country's continental shelf coastal areas. The funds are in addition to a \$3.6-million grant recently made by the Petrol (Condida) International Systems Corporation for the same energy exploration projects.

JAMAICA

IMF APPROVES WAIVER FOR CREDIT FACILITY

FL141734 Bridgetown CANA in English 1619 GMT 14 Dec 84

[Text] Kingston, Jamaica, Dec 14, CANA -- The International Monetary Fund (IMF) has approved a waiver for Jamaica to maintain a stand-by credit facility following last September's technical failure of one of its quarterly economic performance tests, Prime Minister Edward Seaga announced.

The decision by the IMF's Executive Board paves the way for Jamaica to make the 15 million (U.S.) dollar drawdown that had been held up under the 67 million dollar one-year facility that came into force last April. The total package was for 150 million dollars, but the remainder of the funds was through the IMF's compensatory credit facility.

Jamaica faces another IMF test month end, covering the third quarter of the agreement, and Seaga is optimistic about passing but with very small margins to spare. We shall be keeping tight control over all elements of the programme to reduce the chances of slippage, said Seaga, who is also minister of finance.

The September problem with the IMF was over the external payments arrears, which, though the target had been met, included transactions not originally programmed, the government said. This created a technical breach of the conditions. The problem was caused, the government said, because negotiations for foreign loans were not completed before September. A similar situation in March 1983 under a previous IMF agreement also forced government to seek a waiver from the fund, but in exchange it had to extend its economic austerity programme.

Under the existing agreement, government has had to drastically devalue the Jamaica dollar, cut public spending that has affected the delivery of social services, and is committed to chopping 6,000 public sector jobs, though analysts say the figure is likely to be much higher with the recent closure of the municipal authority for Kingston and the adjoining St Andrew Parish. The government is working towards halving a budgetary deficit of 17 per cent of gross national product (GNP) and showing a balance of payments surplus of about 125 million dollars by the end of the fiscal year next March.

An IMF team was here last month assessing the programme, and Seaga said that the economy was moving towards the targets. The assessment at the end of September shows that in regard to the fiscal deficit we are on target as both revenue and expenditure are performing generally as predicted, despite those who said this would not be possible, the prime minister said. Imports were also below targeted levels while exports were up, helping to improve the international reserves.

The fact that the performance of the economy is achieving targets does not mean we are out of the woods yet, Seaga said. The economy is still delicately poised and will continue to require strong leadership to complete the adjustment programmed for this year.

SEAGA COMMENTS ON DROP IN DOLLAR EXCHANGE RATE

FL141758 Bridgetown CANA in English 1711 GMT 14 Dec 84

[Text] Kingston, Jamaica, Dec 14, CANA — The Jamaican dollar, after a major rally a week ago has had a second consecutive slide, falling 4.5 per cent in its exchange value against the U.S. dollar. From today until after the next central bank-run foreign exchange auction, banks are buying U.S. dollars, at J4.56 dollars against the 4.36 dollars of yesterday. There is a four cents spread for the selling rate.

But despite the higher clearing rates at yesterday's and Tuesday's auctions, the local dollar is not as low as the 4.86 to the U.S. dollar it reached until the dramatic 20 per cent gain following last Thursday's auction. That shift sent commentators here searching for a creditable explanation and calls for the government to ensure the integrity of the system and prevent wild and unpredictable fluctuations in the currency.

The auction system was recently redesigned to allow for the free float of the Jamaican dollar. The previous system enabled it to move only within a prescribed 30 Jamaican cents band. Once the outer limit was reached at three consecutive auctions there would be a further shift of the band to allow for a devaluation.

Prime Minister Edward Seaga has said that he expected to take a little time for the local dollar to find its equilibrium. But with the increased flows expected from tourism over the next three months and the reduced demand for imports after Christmas, the longer view is that the rate should settle at a favourable level overall, despite swings in the first few auctions, Seaga said.

SPAULDING BLAMES WPJ, PNP, CUBA FOR CRIME WAVE

FL131648 Bonaire Trans World Radio in English 1130 GMT 13 Dec 84

[Text] Jamaican Security Minister Winston Spaulding has linked Jamaica's leftist opposition to a wave of crime ranging from bank robberies to the murders of policemen. In an address to the House of Representatives, Mr Spaulding outlined evidence tying members of the communist Workers Party of Jamaica to a number of crimes, including a \$1-million bank robbery. He also accused the communist Workers Party and the opposition People's National Party of former Prime Minister Michael Manley of involvement in the murder of 12 policemen. Mr Spaulding said the policemen were killed with guns traced to organized gangs with connections to members of the two parties. Mr Spaulding said the organized gangs received support and training from Cuba.

Accusations Challenged

FL132006 Bridgetown CANA in English 1923 GMT 13 Dec 84

[Excerpt] Kingston, Jamaica, Dec 13, CANA -- Jamaica's National Security Minister Winston Spaulding today faced challenges from political opponents to repeat outside the sanctuary of parliament accusations that they were involved in criminal activity here. Spaulding was also accused of using the serious problem of crime and violence in Jamaica for purely partisan political gains. In a lengthy statement to parliament last night on national security, Spaulding called the names of members of the Marxist Workers Party of Jamaica (WPJ) and the democratic socialist People's National Party (PNP) of former Prime Minister Michael Manley saying they were behind criminal gunmen and received support from Cuba.

I challenge the minister to repeat his charges against myself and the Workers Party outside of parliament where they may be tested in court, instead of hiding behind parliamentary privilege, said WPJ General-Secretary Dr Trevor Munroe, who was mentioned during the name calling.

Similar challenges came from lawyer and PNP executive member, Enoch Blake, and former PNP youth leader, Paul Burke, whose names were also called by Spaulding. I challenge the minister to repeat his lies outside of parliament where he is not protected by privilege and can be sued, said Burke in categorically denying any association or involvement with criminal activity.

ST CHRISTOPHER AND NEVIS

ASSEMBLY APPROVES PRIME MINISTER'S 1985 BUDGET

FL141828 Bonaire Trans World Radio in English 1130 GMT 14 Dec 84

[Text] In St Kitts-Nevis, the National Assembly yesterday approved Prime Minister Kennedy Simmonds' 1985 budget. The budget totals 114 million East Caribbean dollars. Public reaction to the budget is mixed but most people who are vocal are lamenting the increases in motor vehicle taxes, which they claim they cannot afford.

PRESIDENT ADDRESSES SUPREME CONGRESS SESSION

Hints at Increased Sugar Prices

FL151536 Bridgetown CANA in English 1442 GMT 15 Dec 84

[Text] Georgetown, Guyana, Dec 15, CANA -- Guyana President Forbes Burnham has dropped a broad hint that a substantial increase in the retail price of sugar is in the offing here.

Addressing last night's third session of the so called Supreme Congress of the People -- one of the organs provided for under the country's 1980 revised Constitution -- Burnham said in essence that Guyana's beleaguered economy can no longer afford to subsidise domestic sugar prices.

Our system cannot bear the massive subsidies for some services and on some commodities, and these will have to be reduced in some cases and abolished in others, so that funds may be diverted not to consumption but development, he declared. He said it costs the state-owned Guyana Sugar Corporation (Guysuco) 63 cents (G) to produce one pound of sugar; the world market price is 21 cents (G), and the local selling price is 30 cents (one Guy dollar: 22 cents U.S.). Burnham said Guysuco lost 119.7 million dollars (G) last year, and the loss for 1984 is forecast at 112 million.

In the meantime, Burnham continued, large quantities of (local) sugar are smuggled to neighbouring countries where the price is much higher than ours and the proceeds are converted into foreign currency, usually American dollars, which is then exported, he said. It is not fair in the circumstances that the Guyanese consumer be asked to pay a price for sugar that approximates to the cost of production, the Guyana president asked.

Discusses South-South Cooperation

FL151653 Bridgetown CANA in English 1621 GMT 15 Dec 84

[Text] Georgetown, Guyana, Dec 15, CANA -- Guyana's President Forbes Burnham says the time has come for meaningful dialogue at the most authoritative level between the developed and developing world on the questions of debt and the undoubted need for a new international economic order. We must continue to agitate, campaign, mobilise, and argue for change, he said at the opening of the third session of the Supreme Congress of the People, a public political forum, yesterday. The meeting involved about 3,000 government ministers, parliamentarians, senior officials of the ruling People's National Congress (PNC), and citizens.

Burnham said: At the same time we must put our houses in order, for in the first place, we must recognise that...the age of charity, like that of miracles, is past. He said developing countries should seek to mobilise their resources and face with fortitude the attendant sacrifices and pains of development. Then we must learn from the developed countries the lesson of the need for and the benefit of cooperating at the international level with others with similar problems and objectives. I am obviously alluding to the need for South-South cooperation, he added.

Burnham said it was pathetic that the rich seem to believe that their system and wealth can be safe in a world one quarter rich and three quarters poor.

The Supreme Congress of the People is provided for in the revised 1980 Constitution.